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• DIVING contractors claim
that about 250 North Sea divers
have left the industry because
the Inland Revenue has refused
to classify them as self-employed
for tax purposes. Their departure
has lowered safety standards
and is slowing the flow of oil,
they claim. Back Page

• GOVERNMENT financial aid
to industry under regional aid
schemes increased by up to 25
per cent during the last financial
year. Page 10. Iron founders
so far have taken up £260m. of the
£80m. available under a Govern-
ment scheme to boost the industry.
Page 13; Editorial comment,
Page 22

• LLOYD'S BANK is proposing a
profit-sharing scheme which, if
approved by shareholders at a
meeting on October 21, could di-
tribute up to £50m. to the bank's
40,000 employees.

COMPANIES

• TOOTAL made first-half pre-
tax profit of £8.84m. (£6.23m.).
Page 25 and Lex

• BEJAM lifted pre-tax profit
to £4.8m. (£2.64m.) in July 2. Page 24 and Lex

• SPINK AND SON, coin and
fine art dealer, is having talks
on possible merger. Page 26

CHANGES YESTERDAY

| | | |
|----------------------|-----|------|
| Ricardo | 199 | + 9 |
| Royal Insurance | 454 | + 12 |
| Seccomb Marshall | 280 | + 20 |
| Smith (D. S.) | 99 | + 4 |
| Spear (J. W.) | 240 | + 7 |
| Spire and Son | 53 | - 5 |
| Stock Development | 239 | + 6 |
| Vinson Development | 56 | + 7 |
| Union Discount | 492 | + 22 |
| Siemens (U.K.) | 304 | + 14 |
| Baryton | 561 | + 6 |
| Hartlepool | 111 | + 4 |
| Saint Piran | 84 | + 6 |
| FALLS | | |
| Dunbee-Combes | 160 | - 8 |
| ERF (Hilts.) | 132 | - 10 |
| TCI | 423 | - 5 |
| Lucas Inds. | 313 | - 5 |
| Molins | 89 | - 9 |
| RMC | 116 | - 4 |
| Vickers | 200 | - 6 |
| Pacific Copper Mines | 150 | - 15 |

Liberals back pact in spite of doubts on European vote

BY RICHARD EVANS IN BRIGHTON

Mr. David Steel, the Liberal leader, was given overwhelming backing by his party assembly yesterday to continue his pact with the Government despite a widespread belief that the Liberals have not obtained enough benefit from Mr. James Callaghan for keeping his minority administration in office.

The effect of the vote of confidence in the pact is that Mr. Callaghan appears safe from Parliamentary defeat in the coming session unless Liberal MPs are forced to break their agreement either because of the Government's failure in curb inflation or because of a Labour revolt on direct elections to the European Parliament.

The decision, taken on a show of hands, will be as much a relief to Mr. Callaghan as to Mr. Steel. The Prime Minister will now be able to come to Brighton at his own party conference next week in the knowledge that he will probably be able to hold the next General Election at a time of his own choosing.

Mr. Steel's triumph was qualified by the immediate resignation of Mr. Cyril Smith, the architect of the pact, as the party's employment spokesman on the grounds that he was no longer prepared to work with Ministers.

All the remaining Liberal MPs supported the continuation of the pact, although with varying degrees of enthusiasm. A simple warning was given by the rank and file, however, that the Parliamentary party will have to be much tougher in their bargaining with Ministers.

A constantly recurring theme in a constructive and good-tempered debate was that more should be obtained for Liberal good "one."

Conference report. Page 12

Confidence

The relief of the party leadership this was defeated through with a substantial minority vote, by 716 votes to 385. The resolution that "we finally accepted declared support for the continuation of the pact on terms agreed, and stressed the continuing independence of the Liberal Party.

The case for the pact, put bluntly by Mr. John Pardoe, was that the Liberals had changed a bad Government into a "half bad Government into a half good" one.

Conference report. Page 12

Low-paid council workers set to claim 30% rises

BY CHRISTIAN TYLER

THE FIRST rumblings of say, average earnings are well militant among low-paid public service workers came yesterday with the TUC reminded the Government that it held no brief for the 10 per cent earnings limit, and criticised Ministers' sanctions and threats against companies.

Shop stewards from six public service unions in Birmingham have combined for the first time to put pressure on national negotiators for the autumn wage round.

They have called a meeting of representatives of the city's 40,000 council, health and water workers for next month to press a demand for rises of 30 per cent and more, and to discuss industrial action which they said yesterday could reduce Birmingham to a state of siege.

Meanwhile leaders of the Road Haulage Association were called in to the Department of Transport last night in a bid by the Government to stop a 15 per cent wage deal in the West Midlands that could spread across the country.

Mr. William Rodgers, Transport Secretary, made no overt threat to take action against companies that broke the pay guideline, but the possibility of sanctions was raised at the hour-long meeting.

To-day Ulster union leaders are to ask Mr. Roy Mason, Northern Ireland Secretary, to relax the guideline for the Province's workers because, they

This said that it was not the general council's intention "to give general or specific guidance on the level of pay settlements in the next round."

"The essential point is the creation of a climate in which responsible bargaining can take place. The general council does not believe that sanctions and threats are the way to achieve this. What is much more relevant is effective action on prices, employment and economic expansion."

To this end, TUC leaders expect an early meeting with Mr. Denis Healey, Chancellor of the Exchequer, on his return from week.

Lord Carver invited to Salisbury

BY TONY HAWKINS

MR. IAN SMITH today invited Lord Carver, the British Resident Commissioner designate for Rhodesia, and a special UN representative, when appointed, to come to Salisbury to discuss military aspects of the Anglo-American settlement proposals.

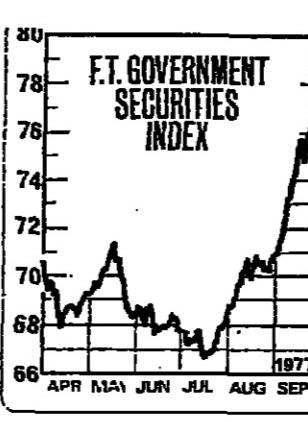
Government spokesman Brian stressed that the invitation did not imply Rhodesian acceptance of the proposals.

The invitation came as Britain prepared to present to the UN Security Council this afternoon a draft resolution requesting the appointment by Dr. Kurt Waldheim, the UN Secretary General, of a special representative for Rhodesia who would join Lord Carver in preliminary talks on a ceasefire in the Rhodesian guerrilla war.

The Rhodesian spokesman made it clear that Lord Carver and the UN special representative were being invited to Salisbury to discuss paragraph 11(C) of the British Government White Paper spelling out the settlement proposals.

This paragraph foresees the establishment by Security Council resolution of a UN peace-keeping force for Rhodesia whose functions might include the supervision of a ceasefire.

The hope is that when Lord Carver arrives and sees the situation for himself, he will urge the British Government to re-



Interest rate fall halted

BY MICHAEL BLANDEN

THE BANK OF England yesterday intervened in the money markets to prevent any further significant fall in the level of short-term interest rates.

The official action was stronger than the signals given by the Bank in recent weeks when it indicated that it only wanted the downward trend to be moderated.

This time, it was made clear that the authorities felt that the fall in short rates, with minimum lending rate already down to 6 per cent, had gone far enough.

The Bank's tactics towards the gilt-edged market, however, have been taken as showing a willingness to see a drop in rates at the long end of the market.

The gilt-edged market was encouraged by the absence of any announcement of a new tap stock issue last Friday, prompting further sharp rises in prices.

Concern

Yesterday the official signal brought a pause in the market, with long-dated stocks coming back from their best levels.

After showing rises of up to 11 points, they ended with gains of up to 1, and with short stocks also improving, the Financial Times Government securities index rose 0.48 to 78.26.

The Bank's move was thought to be prompted by concern that, though rates have not been moving down much so far this week, a technical demand for Treasury bills maturing at the beginning of next year could produce a cut in MLR tomorrow.

The strength of the gilt-edged market is reported to have been sustained partly by overseas buying, attracted by high rates and the strong pound.

Yesterday, sterling remained firm, with the Bank again taking in foreign currency and holding the rate down. The pound rose 10 points to \$1.745, with its trade-weighted index unchanged at 62.4.

THE GOVERNMENT is to re-open its search for a power-sharing constitutional settlement in Northern Ireland. Following yesterday's London summit meeting between Mr. James Callaghan and Mr. Jack Lynch, the new Irish Prime Minister, a fresh round of inter-party talks on administrative devolution is to be launched in the province.

A fortnight ago, Mr. O'Kennedy publicly raised the question of all-Ireland courts—with their extremely sensitive implications—but that suggestion was not mentioned either at the Downing Street talks.

Mr. Callaghan was apparently as anxious as Mr. Lynch to avoid topics that would focus attention on fundamental Anglo-Irish differences. Rather than press for clarification of Dublin's constitutional aims, he concentrated on European and economic matters.

In an effort to give Anglo-Irish relations a wider dimension than that of the Ulster question, the two Prime Ministers discussed EEC developments, direct elections, the enlargement of the Community, CAP difficulties and strictly bilateral matters such as trade and disputed offshore oil exploration areas.

But while these topics occupied much of the joint communiqué released after the summit, it was clear that Northern Ireland had inevitably dominated the discussions. In order to make a new round of inter-party negotiations between the province's politicians feasible it was agreed, according to British sources, that the Lynch Government will be pressing the mainly Roman Catholic Social Democratic and Labour Party to resume its support for power-sharing.

Earlier this month the SDLP confirmed that it was dropping Continued on Back Page

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BELL'S SCOTCH WHISKY

the Scotch of the
year and every
year since
1825



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glish painting since 1952

WILLIAM PACKER

Academy has kept William Scott, who has actually gone so far as to become an Associate, and Ivon Hitchens, to open, a empire, kitchens, realists, expressionists, abstract expressionists, pop artists, and systematists, figure painters from the Slade and landscape painters from Cambridge, and of course, this being the Academy, the painter academicians. It makes for a wicked bunch of nettles to pick at all, let alone put in a vase to try to arrange. The great treat, however, and against all expectation, is that they all do very well together, and form the most part look extremely handsome, but it also prickles us into thinking again about English painting. The show makes sense.

The most mischievous of the juxtapositions makes that point neatly. There is one gallery where people than it should be the which was never curious in rallying to modernism, that in itself the rôle of in the art world, without, is one of things to have happened time.

Id not come as a been evident to us that the Academy, throughout the presi-

late Sir Thomas has been moving towards the middle was always meant point perhaps will be by all working out they may not get, will at least I wrong. We must xt summer to be the signs are indeed good, albeit man-

Who would have a year two and, Sam Sutherland

Promised at the ill, let alone hung

er; yet here they v all accounts glad

ll the others, from

We have always been inclined to undervalue our native virtues.



'Titania, Queen of Faerie' by Peter Blake, 1977

thus modesty was always our own American painter in their strong point. But with the visual generation with perhaps two or arts, for some curious reason, three exceptions—Horland, really mean what we say. Hodkin, Davie, and Kenneth Once was French and since Martin, for example, would be the War it has largely been honoured anywhere but here. American Art to which we where they are all but unknown defer to and we could easily outside the art world. When it comes to figurative painting we leave the rest standing, though for not being American, lacking its excitement, ambition and self-confidence.

The Americans are, indeed, our only rivals; we set it as a competition, for to-day no other nation can match our

artists in number and quality, and in the consistency of their achievement. But the Americans' virtues are their business, not ours, and while we can admire and learn from much of what they have done, we can also afford to be a little sceptical of their self-styled modern masters. We are part of the European tradition, and reconciled to it, and our artists generally accept that their work is slow, serious, uncertain and liable to change; they are inclined to distrust an easy and immediate success.

Moreover, not opposing the tradition, we do not cast ourselves as revolutionaries. Yet we have

The show continues until November 20.

painters who are the equals of

the moment that these paintings are indeed good, albeit man-

ifestly different in kind, and

the qualities that they share, that they should live

as happily together? There, still in its shell, we have that good old chestnut, the Englishness of English Art.

We have always been inclined to undervalue our native virtues.

Upstairs

ffff

beach in Australia, Rosebury sits in a d talks to us. He hispers," he says, much of the occult. hears is nothing than two more school, who bring y into focus. It is school, and they are last term before gh school. turers are self-ugh. They go in and football and Springle, who ard, is the tougher uckburn, physically below his mate, to be led. Naturally nk much of a boy, is life sitting in a

is passed in 12- well remembered. Billie Brown, and convincingly as pos- the three young ry Chance, Raphael John Mangan. As children, there is a so bright that he point of either of en at such matters which he watches on television. the less intelli- two toughies, is the over to Rosebury's



Jeremy Chance, John Mangan and Raphael West

side; Blackburn proves hardly to be tough at all, and is twice reduced to tears. But he has enough personality to keep himself from instant persuasion.

In the end they are all budding, and Rosebury is floating in the sea on a turtle-shell offstage, an immense step forward in his life.

Eaving shown his knowledge of pre-adolescent personalities, the author will know as well as we rate no doubt, is hardly dramatic.

B. A. YOUNG

Bing Crosby

y has done it again, of material and her powerful voice of '76 he filled singing was a handsome contrast to Bing's gentle approach. Ted n with a series of performances which personal back with a very the only difference perhaps, marginally

he packed the stage 'sons, daughter, their bits with varying of embarrassment away with it. Now the family plays son Harry who plays not so much better (perhaps he should apinges), and wife

ertainment s on Page 20

s quite easy to take, is a more sophisticated, pistication is never

Crosby still strolls art of the show and if-easing master of encouraging the and perhaps joining ong. He is there at est three hours later, the Joe Bushkin gets the chance to self over thirty and that he has serviced the years.

thing is that there is sentiment. Bing is now but his voice fine; not so good in notes but quite growing off a vintage down. He is also an comedian, even t of the jokes are older. Crosby dominates the his modesty, exper- talent. Yet, quite, he has ensured a director to be responsible for the immediate work of casting Rosemary side for the company, a debt in her choice of the company.

ANTONY THORNCROFT

Leave of absence for Young Vic's Frank Dunlop

Frank Dunlop, who founded the Young Vic in 1970 and has been its director ever since, has asked to be released from his duties as director of the Young Vic Company for the next two years in order to concentrate on long-term planning.

Frank Dunlop, who will con-

tinue his association with the Young Vic as consultant and member of the board of manage-

ment, intends to spend the next two years widening both nationally

and internationally. During this period the Board intends to

appoint a director to be re-

sponsible for the immediate work of casting Rosemary side for the company, a debt in her choice of the company.

Moscow Theatre

The Master and Margarita

The Master and Margarita, by Yuri Lyubimov from Mikhail Bulgakov's posthumously published novel, and directed by him at his Taganka Theatre, continues to be the sensation of the Moscow stage. An editorial attack on the play in Pravda caused a nude (who had, anyway, been seated and facing away from the audience) to be covered, but it did not at all discourage the crowds that throng to the Taganka whenever the play turns up in the repertoire, asking solitary playgoers if they have any extra tickets to sell.

Pravda's attack (and the official disapproval that it reflects) may have had one practical effect upon the fortunes of the play: it is now Moscow's most popular play.

The Master and Margarita: it is not among the five plays that the Taganka will bring to Paris in November, although at one time the Parisienne hosts had insisted on this play as a sure non of any visit.

Both as a novel and a play,

The Master and Margarita is well calculated to irritate Soviet authority. Set in Moscow in the 1920s, it is the account of a mischievous visit by the Devil, Pilate and Christ.

As in the novel, Bulgakov's

symbol; this time it is an enormous clock with a correspondingly enormous pendulum, on which some of his characters occasionally ride. But there are limits to the virtuosity even of

Ljubimov's special effects. The satirical study of Soviet life is frequently interrupted by brief glances at the story of the crucifixion, a subject that gets a

serious treatment not found else-

where in

the

book.

Meanwhile, the Devil's

entourage is clearly no more

than a man in a cat suit. Even

so, everything that matters in

The Master and Margarita is

real, even if the cat is

HENRY POPKIN

do that the friendships will be as Mr. Brown is clearly observant fleeting as any in the Forest of Arden; but we are left with a not notable for the duration, sentimental feeling of their wit. I liked once something having been achieved, exchange, though "Did you ever think it?"

It has taken rather long in never play cowboys and Indians?" Springle asks. "Yes," Rosebury says. "I was the primo a third. But then one remembers the successes, when pianist touches off the atmosphere from first bar, when singer is at his subtlest and most shining-eyed—"Der Schular" and "Das Ständchen," two of the finest Eichendorff songs iridescent and teasing; the adorable, youthful, "Frühlingsschlösschen," full of frank, boyish charm. With all its flaws, this is a set to explore and re-explore.

The six songs of *Les Nuits* side each one with its special vocal registration and character.

are encompassed with difficulty by a single performer; yet a singer with the acumen and the dramatic variety of a Crespin can still bring them off rewardingly. Sharing out the cycle is a solution apparently closer to rockin thirds, seconds and trills and the mastery and definition of Fischer-Dieskau's

mezzo, tenor and bass, was

the British, American, and

D. R.

"L'ile inconnue," the tone is sacrifice of limpid or shapely plump, not limber, not quick-spirited. Stuart Burrows manages and Mimi move us with the sustained technical difficulties of "Absence" handily sweetened by Miss Corubras's while drawing its romantic stanzas.

His "Au cimetière" one admires

for vocal plumpness, not for atmosphere. Boulez, except for "Seconde Absente," is one example: the Reinick "Gesellenlied" (Barenboim shies away from the Meistersinger quote accented in the bass line) another: "Liebchen, bist du" (without definiteness in movement to and from a whizzing tempo primo) a third. But then one remembers the successes, when pianist touches off the atmosphere from first bar, when singer is at his subtlest and most shining-eyed—"Der Schular" and "Das Ständchen," two of the finest Eichendorff songs iridescent and teasing; the adorable, youthful, "Frühlingsschlösschen," full of frank, boyish charm. With all its flaws, this is a set to explore and re-explore.

The six songs of *Les Nuits*

are

the

British, American, and

D. R.

Food: *The Gift of Osiris*, by Swedish Nutrition Foundations

William J. Darby, Paul Ghalibou-

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reader works that are responsi-

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as well as interestingly and

informatively written, Food: *The*

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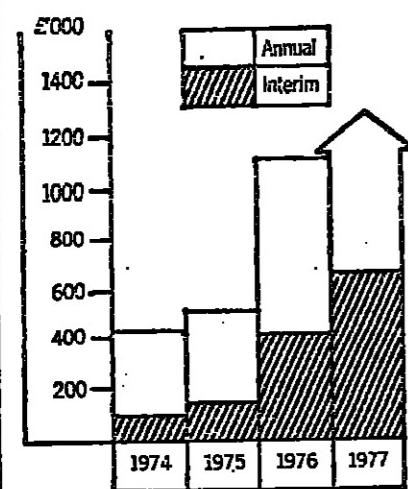
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Interim results to 30th June 1977

| | |
|----------------------------------|-------------------|
| Profit before tax | £661,000 up 61% |
| Turnover | £8,105,000 up 47% |
| Exports | £1.8m up 71% |
| Earnings per share | 5.80p |
| Interim Dividend | 150p net up 55% |
| Total forecast dividend for 1977 | 3.696p net |

PROFIT BEFORE TAXATION



- * consistent growth with major customers in UK and abroad
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- * actively concerned to expand knitted outerwear division
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INTERIM RESULTS 1977

| | 6 months to 30.6.77 | 6 months to 30.6.76 | 12 months 1976 |
|--------------------|------------------------|------------------------|-------------------|
| £ | £ | £ | £ |
| GROUP SALES | 35,228,665 | 27,861,798 | 51,640,907 |
| PROFIT BEFORE TAX | 1,491,203 | 824,646 | 1,577,670 |
| INTERIM DIVIDEND | 111,051 | 99,362 | 218,506 |
| EARNINGS PER SHARE | 15.40 | 8.6p | 16.3p |

* 81% increase in half year profits
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The Secretary, 279 Ballards Lane, London N12 8NS

EUROPEAN NEWS

SIG. STAMMATI'S WASHINGTON MISSION

A plea to loosen a tight corset

BY DOMINICK J. COYLE IN ROME

GAETANO STAMMATI moved into surplus in June and approaching recession — some of the relative competitiveness of Italian exports. And to a greater extent than is often appreciated, from their public statements Government declared on maximum of 12 per cent. 12 months to March to 11 supported both by the opposition, including the communists who are now supporting the minority administration, and the leadership three trade union confederations.

That is a good sign of both sides of industry's resistance to wavering signs of inflation in the face of revised unemployment and signs that a recession may be on the way.

Yet Italy to-day is to a certain extent in reverse of its present term policies or to spend out of the development since to do so would be the anti-inflationary battle immediately more important materially the issues already given to the Andreotti Government planning for a 1978 gross of roughly 3 per cent, at same as is expected in the maximum possible next few years, according to Sig. Paolo Bini, Governor of the Bank of Italy.

The unions have accepted a but preliminary indications, this week for the fund meeting, but his task has been to persuade the IMF that Italy is indeed living up to the undertakings given in the Letter of Intent earlier this year at the time of a further Italian drawing from the fund, coupled with a plan to loosen the controlling corset, even so slightly.

Unlike Mr. Healey, the Italian Treasury Minister cannot point to any confidence to the fact that the public sector borrowing requirement and domestic credit expansion are running well within the fund's ceilings for 1977-78, but the story is by no means all gloom. When the Prime Minister, Sig. Giulio Andreotti, presides over a Cabinet meeting to-day to finalise the budget for next year, Ministers will be looking at a vastly improved economic scene than many thought possible just 12 months ago.

A few statistics tell an impressive story, and they are worth recording here. Last September

Sig. Andreotti's newly installed minority Christian Democrat Government launched a series of fiscal, monetary and administrative measures in a desperate attempt to stabilise the lira on foreign exchange markets and to give Italy some credibility in its negotiations with the IMF for a new standby credit, albeit for a fairly meagre \$530m.

Inflation then was running at

an annual 22 per cent, and the lira had effectively been devalued

(against the dollar) by more than 25 per cent over the preceding nine months.

The available reserves of the Bank of Italy were dropping alarmingly, and the trade unions showed no inclination to talk seriously with the Government on urgent anti-inflationary steps, most particularly to agree to some modification in the established pattern of wage indexation in an effort to break the cost-push inflationary cycle. Consumer demand was still running high.

Now the picture has changed greatly, at least in the short term. Since mid-January the lira has fluctuated within a fairly narrow band against the dollar (880-900), the cost-of-living index in August was a mere 0.7 per cent, up on July, the balance of payments on current account

was in surplus of \$1.5bn, the real sequences of this entire episode, indeed the outcome, given the extent of Italy's short-term difficulties, was to put the median squeeze on domestic consumption and, given the tardiness of world trade, progressively to wind down growth.

The price of petrol was pushed

up to £1.65 a gallon.

But of course the real consequence of this entire episode, indeed the outcome, given the extent of Italy's short-term difficulties, was to put the median squeeze on domestic consumption and, given the tardiness of world trade, progressively to wind down growth.

The price of petrol was pushed

up to £1.65 a gallon.

There has, in fact, been some rise in unemployment over the past year, but the scale of the increase has been nothing of the magnitude suggested in these official figures. What has happened is that the survey questionnaire has been revised, throwing in an additional 1.5m in the country's total labour force, while the number of jobless and those seeking work has all doubled to 1.5m.

Action against unemployment has high priority, second only to the continuing battle to bring inflation closer to the European average, if only to maintain more flexibility.

The evidence in that echoes these sentiments. Sig. Stammatti's concession from which is now agreeable effect, amend one proposal the Italian letter of intent originally envisaged by the government to be paid by Italy as for permanent adjustment in the country's importability and ability to export.

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EUROPEAN NEWS

**Wittmann ready for new
links with Communists**

MAUTHNER

CIALIST leader said yesterday that he had no intention of forming a joint government.

While admitting that the immediate cause of the breakdown of the talks had been disagreement over the nationalisation programme of the Left-wing partners in government, he was ready to go at any time.

It was clear from his speech that no real progress had been made towards a breakthrough for a breakthrough in the negotiations.

The Socialists and Communists, in fact, found that they disagreed on the basic definition of nationalisation. The Socialists, unlike the Communists, did not want to strengthen the bureaucratic machine, nor destroy the free market economy.

M. Wittmann laid special emphasis on the disagreements between the Socialists and Communists on defence policy, which were just as serious as those over nationalisation.

Although he had often underlined the shortcomings of the Atlantic Alliance, he felt strongly that France, as long as it was a member of this alliance, had to honour its obligations to its communist allies.

There was in any case, he said, no reasonable alternative to the Alliance open to France at the moment. He was referring to the common pro-

gressives who have been sur-

remerges from an article on the Belgrade conference by Herr Guenther van Well, State Secretary at the Foreign Ministry, due to start in the week. The accord clearly the approach to human rights—

the two sides had differences emerged following night between four national

Mr. Zbigniew Brzezinski, Chancellor of Mr. Brzezinski discussions in Bonn.

Last year, Herr van Well caused a stir by publishing an article on what he held to be Soviet chicanery over Berlin. The publication was considered to be ill-timed, since the Soviet leader, Mr. Leonid Brezhnev, was then expected to visit Bonn. Mr. Brezhnev has still not made his visit. This year, the Bonn answer is clearly different in which was pressing issue, fearing to lead to polemics even a resumption of war.

Herr van Well notes a growing tendency for discussion between states of themes which once could not be raised without accusations of meddling in internal affairs. Human rights now satisfied him. His answer is to cover in principle seven of the final act of the Helsinki Conference. That Bonn will

be satisfied with its criticism

of the Warsaw Pact states is

Communist demand that France's defence should be organised "in all directions," meaning that its strategy should be geared to fighting a war against the Western allies as well as against the Warsaw Pact nations.

Nor had the differences between the three partners over wage differentials and the national minimum wage been solved. All these issues could have been used as a pretext for breaking off the negotiations.

Nevertheless, M. Wittmann felt that enough progress had been made on other problems for an overall agreement to be reached eventually, if everyone showed the necessary political will. As far as the Socialist Party

was concerned, it had also called for a slow initial rate of oil extraction to lengthen the life of the field.

DUC denied, however, that it had decided to give up exploitation of oil reserves west of Jutland as reported by a news agency and published in some editions of the Financial Times yesterday.

A statement from the A.P. Moeller concern last night said the Ruth project, which would produce more than double Danish oil production from its current 500,000 tonnes annually, would not be feasible unless gas is burnt off.

"The reason is that it would not be technically defensible to inject the gas back into the structure. All DUC experts agree, contrary to the Government's view, that to reinject the gas could damage the structure and significantly reduce the amount of oil produced."

It said that the Trade Ministry's requirement that gas should not be burnt off meant that the planned project cannot be realised.

On the political front, the opposition Conservative party announced that it intends to demand urgent explanation from the Social Democratic minority Government over its Ruth Field decision when Parliament assembles for its autumn session next week.

"Society cannot accept that a promising Danish oilfield is not being exploited owing to over-rigorous production demands," a party spokesman said.

In the military sector, Herr van Well urged greater resort to confidence-building measures foreseen in the Helsinki final act and he called for improved economic relations from the eastern essential if West German companies were to plan properly their export business

therefore legitimate, he wrote. In this connection, West Germany would pay particular attention to topics including reunification of families and gradual removal of restrictions on travel, and on marriage between citizens of eastern and western states.

It would further seek an improved flow of information,

Herr van Well said, noting that opportunities to buy western newspapers in eastern European states were still far from satisfactory.

Bonn would press for better working conditions for western journalists in the east and specifically raise those cases in which German correspondents had been penalised for critical reports.

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BONN, Sept. 28

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Analysts
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Somalis take vital pass in the battle for Ogaden

BY JAMES BUXTON

VIV. Sept. 28. months of taking Government has compromise policies and a result of sure, home came last small groups of unim movement, two settlements id Jenin respect earlier warnings that all new be approved by a governmental

cups—numbering tuple in all—old ssing of the Gush trial, it should be arrested by the to military subsequently evacuated.

Mr. Menahem ment cannot go omits about upped pressure by Gush Emanuim morning. This groups to settle camps on the next few

be permitted to es with them and id on work con- fidence and "the infrastructure elements." The ent is thus leav- open.

Camps are with- peace treaty with presumably the go too.

Begin has had on what were e the conditions re in Northern as it was originat- that the arrange- move the with- he Palestinian the border area ded depth); the now let it be the media that will only be part ce as yet to be

usefire was the U.S. ultimatum sation that the s in Southern not hold out ng outnumbered

S. Lebanon remains quiet

By Ihsan Mizari

BEIRUT, Sept. 28.

EFFORTS were continuing here to stabilize the cease-fire in Southern Lebanon and ensure a durable peace for the region.

The border area with Israel continued to be quiet for the third day as parties concerned adhered to the truce which took effect on Monday.

Mr. Richard Parker, the U.S. Ambassador to Lebanon, was due to Washington today to give his Government a progress report and to hold consultations on the next step. He met yesterday Mr. Selim al-Hoss, the Lebanese Premier, who in turn conferred later with Mr. Abu Shahid, the commander of Palestinian forces in the south.

The truce was arranged by the U.S. through contacts in Beirut, Damascus and Tel Aviv. Three specific steps are envisaged for stabilisation in the south, informed sources said. First, the dispatch of Lebanese regular forces to the region; second, withdrawal from there by guerrillas; and third, determining the positions where UN observers are to be posted.

admits religious occurring in Egypt

TINGAY

ublic admission I strife between Christians and Moslems, Mr. Sadat, to-day, said, "I am sorry to say that the conspiracies and local forces are trying to undermine us."

During a meeting committee of the union, the rem- to be Egypt's Hical party, to mark the anniversary of the late President Nasser.

references to young province Egyptian town of Aswan here as an outbreak of civil strife had been reported weeks ago. The stoning by Christians of a Coptic under construction, as well as arrests said place around a in Aswan. The incidents four took a letter of the Coptic Synod application of to make Moslem offens. At Egypt's Synod, Coptics on an unpre- fast in protest political tension

Egypt's total civil and military debts to the Soviet Union have been estimated at \$5bn-\$7bn. The debt is paid through unrequired Egyptian exports at a rate of about £E100m. a year for the civil debt. Officials have said privately that the military debts have gone unserviced for two years now.

ment offer to India

N CORRESPONDENT NEW DELHI, Sept. 28.

From a European substantial investments in India, and Fernandes, the for industry re that West is affiliated to man Chamber of Industry, have "Siba," and "in the next two trial investment

s would like to absorb as credit as it could receive more.

ions would have projects and "go the rate of interest 7 per cent. The id not be tied to any country and of their own Fernandes said. "There is no fear about their investment, and in fact utilisa- tions to be con- of our own e reserves, which sfactory at the r priorities," he indicated that the being examined

Mr. Fernandes, many companies in making sub-

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The correspondents travelled to Jijiga. One of them, Reuter correspondent Peter Sharrock, said he was told that the front line had now reached the Ethiopian city of Harar. But he also reported that Jijiga was still being overflown by Ethiopian F5 aircraft.

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Japan car makers take on recession-hit workers

BY YOKO SHIBATA

IN STARK contrast to almost the whole of Japanese industry, motor manufacturers are facing a labour shortage thanks to continuing success of exports and consequent upward revisions of production schedules.

The shortage is being met by the issue of "invitations" to overstaffed and recession-riden industries such as shipbuilding, textiles and heavy machinery to transfer part of their surplus labour force. Since the major Japanese companies are bound by contract or custom to employ workers for life, transfers represent novel innovation in Japanese employment practices.

Examples of labour transfers to the motor industry include Datsun's offer to a specialist in small cars within the Toyota group which has already accepted 200 workers from Kawasaki Heavy Industries.

Hitachi Shipbuilding and Engineering company, 65 workers from the textile company, Unilika, and 50 workers from Sumitomo Metal Industries (the number three Japanese integrated steelmaker). Datsun plans to ask for more Unilika workers by the end of September.

Mitsubishi Motor Corporation has so far accepted 620 workers from Mitsubishi Heavy Industries (MHI). It is due to recruit another 45 workers from MHI's shipbuilding division.

Isuzu Motors, which was facing a financial squeeze as recently

as two years ago, is now recovering fast thanks to brisk exports of trucks. The company expects record current profits of Y14.9bn. Toyo Kogyo has also decided to transfer 5,000 workers from its Hiroshima headquarters to related dealers throughout Japan.

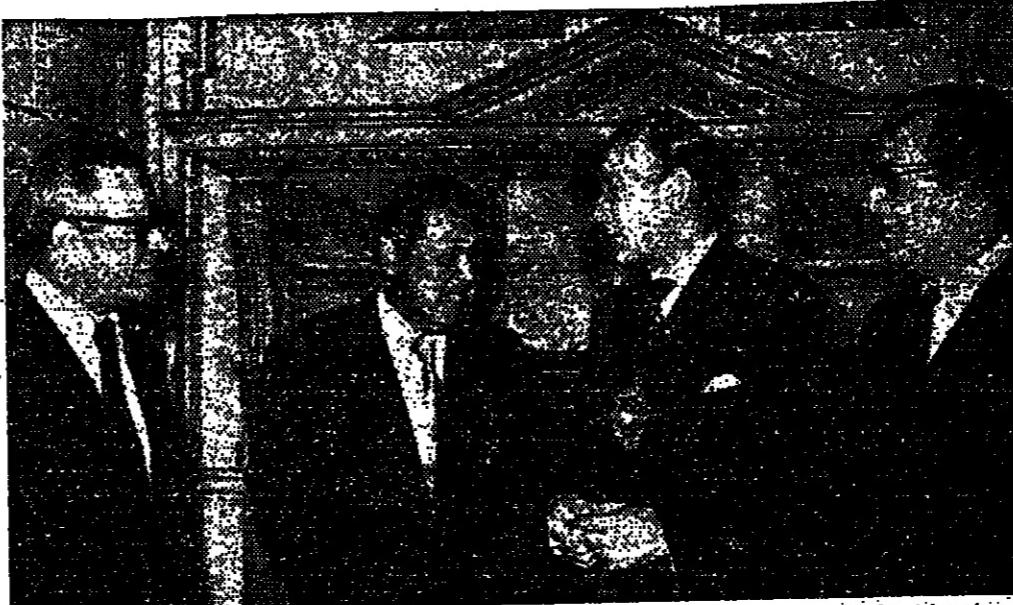
Toyo Kogyo reduced its production goal for the six months ending in October to 395,000 units from 400,000 units. This reflects a shortfall in domestic sales, although exports have been doing well.

• The U.S. Concern Midland-Ross Corporation said it received an additional 300 workers during the next two months. The company needs another 400 workers to cope with expected production increases during the six months starting November.

Isuzu's announcement has produced an eager response from steelmakers and from heavy industry. So far 30 workers from Kawasaki Heavy Industries, 30 from Nippon Kokkan (the number two steelmaker) and 100 from Sumitomo Metal Industries have agreed to join Isuzu. Transfers of this kind occurred on a very limited scale during the recession years of 1974-75 but the present level of industry movement is much greater than before. In both cases banks involved with the parties have acted as intermediaries.

An exception to the general rule of labour scarcity in the motor industry is the number three car maker Toyo Kogyo which recently announced plans

TOKYO, Sept. 28.



Ashley Ashwood

Financial Times gave a luncheon yesterday for the Japanese Business Community in Europe at the Mansion House in London. Mr. Tadeo Kato, the Japanese Ambassador, was entertained (left to right) by Mr. M. H. Fisher, Financial Times editor, Sir Robin Gillett, Lord Mayor of London and Mr. A. V. Hare, Financial Times chief executive and managing director.

Renault move in Austria

BY PAUL LENYAI

VIENNA, Sept. 28.

RENAULT, the French motor company, is planning to erect a production subsidiary in Austria's production plant in the West Austrian province of Styria. The interest in setting up a company is ascribed to the labour peace prevailing here, and the vicinity According to reports, of the East European markets, French company will make use of the buildings of a bicycle factory which, with a production staff of 1,000, stopped operations two years ago.

For the time being, Renault is planning to turn out car components. Initial production

is expected to be about 300. But also going on with German and Japanese motor companies, it is not excluded that at a later stage the venture could become a proper assembly plant.

It is understood that talks are under way with German and Japanese motor companies concerning production plants in Austria.

AP-DJ

SKF call on dumping

PARIS, Sept. 28.

M. RAYMOND CASTEL, head of SKF-France, said today he called on the French Government to take unilateral action against Japanese dumping of ball bearings, because the measures adopted by the European Community were ineffective. SKF-France has said previously that such dumping may force the company to close one of its French plants.

M. Castel said Japanese manufacturers had not complied with the EEC request to raise export prices.

AP-DJ

Finance snag clouds Brazilian steel plan

TOKYO, Se

The original proposal willing to provide an additional government ministry \$300-600m. in loans to float Brazil's multi-billion-dollar damage to the 51 per cent Tubarão steel plant project, as share held by Brazil, has requested by Brazilian officials critical point for both sides. Kawasaki Steel officials visiting Tokyo this week sources say they have not received any request from Brazil.

prospects for the big Tubarão steel plant, a venture with Japanese, Italians and Brazil as partners, appear to depend heavily on whether Brazil can accept basic (and expensive) changes in its industrialisation programme signed last March.

The issue threatens to become far about 18 per cent of imports, second in value, to Australia, will get 25 per cent of the steel slab output of Italy.

The plant is designed to produce 3m. tons per year in the initial stages until expansion to 6m. tons annually.

Start of construction is set for next year by the Brazilian delegation in Japan headed by Director of Siderúrgica Henrique Brandao Cav

however, they still expect the project to be completed by the early 1980s, but admit there have been problems in financing which held talks with the Brazilian side.

According to Government sources, the current row began when Siderúrgica, co-owner of the Brazilian steel industry, recently passed a resolution to the Government in the capital, Brasilia, to increase its participation in the Tubarão plant, asking that Kawasaki Steel, representing 14 Japanese participants, accept an increase in its capital share of the joint venture to 33.5 per cent from 24.5 per cent.

The other 24.5 per cent partner, Finister, the Italian steel holding company, would be requested to boost its contribution by a like amount. The joint venture, Campagnia-Siderúrgica-Tubarão (CST), is to be capitalised at \$580m., which would mean a \$31m. increase in capital for Kawasaki and its partners.

Swiss machine builders check business decline

BY JOHN WICKS

ZURICH

THE SWISS machine-building industry expects a continuation of the current period of stability in overall market conditions but without any marked improvement in the general level of profitability. This was stated at a press conference in Zurich by the Swiss Association of Machinery Manufacturers.

In the first half of 1977, turnover of 200 member companies totalled Sw.Frs.6.18bn. This said machine-builder means, according to association director Dr. Martin Erb, that conditions and a gradual half of 1976 and 5.7 per cent up on that for the same period of the preceding year. This brought the value of orders on hand at midyear to Sw.Frs.12.63bn. While this was slightly bleaker than the Sw.Frs.12.57bn. booked a year earlier, it was still well down on the Sw.Frs.13.49bn. orders total for mid-1975.

Dr. Erb said the decline in Swiss machine-building activity reflected actual took place. He added, however, that no expansion in real terms actually took place. The association, which had been sure of the downward trend of market spirit was more solid than the first half of 1976 and 5.7 per cent up on that for the same period of the preceding year. This brought the value of orders on hand at midyear to Sw.Frs.12.63bn. While this was slightly bleaker than the Sw.Frs.12.57bn. booked a year earlier, it was still well down on the Sw.Frs.13.49bn. orders total for mid-1975.

Dr. Erb said the decline in new export contracts concluded.

Greek power plant to be built

BY OUR OWN CORRESPONDENT

ATHENS

THE PUBLIC Power Corporation, Greece's state-controlled electricity company, will hold an international tender early next year for the purchase and installation of two new lignite-fired power plants of a total capacity of 250 megawatts.

Minister of Industry Mr. Constantinos Komaitis said one power plant, one of 150 megawatts and the other of 200 megawatts, will be installed in the northern Aminaton Northern

power network for capital, during a period, writes our staff.

Earlier L. M. I. received an order valued at £4.4m. for the construction and installation of a local traffic. The company to undertake to install two existing local stations in the four

MAN IN ALG Maschinenfabrik Nuernberg AG (MA) signed a contract with a company for a joint production project.

The survey is being undertaken with a view to determining the industry's technological capability to produce textile products of quality and at a cost which would enable the industry to improve its export performance in the world markets. The extent of modernisation and expansion of existing capacity required would be assessed taking into account the projected domestic and export demand over the next two plan periods.

Ericsson's £33m. deal

L. M. Ericsson, the Swedish telecommunications group, has received an order from Alcatel TPT for the supply of telephone equipment valued at £12.2m. in Switzerland's net (£33m.). The greater part of the order, at 16.5%, will be for the supply of a telephone system to St. Gotthard.

Ericsson's £33m. deal

**Our fares are the same as other
international airlines'.**

Our planes don't fly any faster.

**Our seats and leg room are the
same.**

**Yet a lot of seasoned travellers
insist on flying with us.**

**Because, unlike most of the
other national airlines, we're an
independent business.**

**If we didn't run a better business,
you wouldn't have a business to run.**



**British
Caledonian**
We never forget you have a choice.

HOME NEWS

Interim guide to inflation accounts

By Michael Lafferty, City Staff

THE PROPOSED interim guidelines for big companies to show the effects of inflation in their accounts were given preliminary consideration by the Accounting Standards Committee yesterday.

The proposals, prepared by a working group headed by Mr. William Ryde, treasurer of Oxford University, will undergo more detailed scrutiny at the October meeting of the standards committee.

If they are approved they could be published by November, after which large quoted companies will be encouraged to abide by the guidelines in their next published accounts.

The guidelines will specify the supplementary information which companies should give in their accounts to give shareholders some indication of how the results and the assets and liabilities have been affected by inflation.

In addition to disclosing the extra cost of goods and assets consumed, the guidelines will also include a gearing adjustment.

Under this, the figures for extra cost of sales and depreciation will be reduced by the extent to which the company's capital has come from debt, on the grounds that shareholders have gained at the expense of debt.

The gearing adjustment which the group is believed to favour is one put forward by the London Chartered Accountants, based on the ratio between equity capital and net monetary liabilities.

The proposal to include a gearing adjustment in the guidelines is likely to be controversial.

The Hyde group was set up in July to seek an interim solution to the inflation accounting problem, following the collapse of the system proposed by the past Government financial Morpeth Inflation Accounting Steering Group.

State industrial aid up 25% last year

By JOHN ELLIOTT, INDUSTRIAL EDITOR

FINANCIAL ASSISTANCE given by the Government to industry under regional aid schemes increased by up to 25 per cent during the last financial year at a time when the Government was also introducing a number of new industrial incentives.

This emerges from the annual report of the Industry Act, 1972, which was published yesterday. It was heralded by Mr. Eric Varley, Secretary for Industry, who said that the results showed the Government's determination to do all it could to help maintain employment and expand industrial capacity.

The bulk of the increase in aid came through regional development grants to industry in assisted areas which cover all of Britain north of Manchester, plus Wales and the South-West.

During the 12 months ending on March 31 this year, nearly 53,000 applications were received for aid covering some £2,722m. of capital expenditure. As a result nearly £410m. was paid in grants, a 26 per cent. increase over the £325m. paid out in 1975-76. In the six months since March 31, a further £130m. has been spent.

Applications

Included in the £410m. figure are grants of £105m. for investment in Scotland and £62m. in Wales.

The second prong of regional aid comes under the heading of regional selective assistance under Section 7 of the 1972 Act.

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Mr. Eric Varley

U.K. which received grants totalling £200m. and loans of £14m.

Other companies benefiting under individual applications were Data Recording Instrument, Drake and Scull Holdings, Kearnay and Trecker Marlin, Norton Villiers, Triumph, and two concerns which have sprung from N.V.T., the Meriden Cooperative and Wolverhampton Industrial Engines.

The report also details some early success for the Government's selective investment scheme which was announced last December with £100m. to promote investment projects which would lead to significant benefits for the U.K. economy. By the end of March 80 applications had been received and about £2m. was being allocated.

Bottlenecks

This scheme replaces the accelerated projects scheme which was introduced in April 1973, and which has led to assistance of £84m. being promised in 118 projects. Of these, more than a third will help clear bottlenecks identified under the Government's industrial strategy working parties.

Measures were also introduced during the year to help the shipbuilding industry, including cost-escalation insurance, refund guarantees, an £85m. intervention fund to help yards obtain contracts.

Commentaries included in the report from chairman of the Industrial Development Advisory Board and its regional counterparts reflect the impact of the increases in State aid although there have also been some complaints in the Government from the regions that the sudden withdrawal earlier this year of unemployment premiums caused some new problems for some companies.

Industry Act 1972 Annual Report by the Secretaries of State for Industry, Scotland and Wales for the year ended March 31, 1977. SO. £1.65.

King's Cross electric go-ahead

By David Walker

THE FINAL stage of British Rail's Great Northern suburban electrification scheme starts to come to fruition on Monday, when the first electric trains begin running between King's Cross and Royston, Herts.

The project, which started five years ago and is likely to cost £80m., will be complete next January, when the 25,000 passengers a day who use the Eastern Region commuter services between King's Cross, Moorgate and Hertfordshire see the introduction of the new timetable reflecting improvements the electric trains can offer.

That will involve a doubling of the frequency of outer suburban trains to two semi-fast trains and one fast train an hour in off-peak periods, and seven trains an hour in each direction during the peak. Journey times will be cut by up to 30 minutes.

The regional Electric Region hopes will be a 15 per cent. increase in passengers during the first 12 months of a year.

The region expects an 18 per cent. return on its investment and something like a halving of losses on the route, which have been running at £250,000 a year.

The hoped-for investment return compares with a Treasury target of 25 per cent. for British Rail's overall spending, but is nevertheless seen as commendable for a commuter service with its peak-period problems.

British Rail is basing its optimism on experience on the Great Northern inner suburban services to Wilmslow Garden City and Hertford North, which went electric 10 months ago. The number of passengers on those services has risen by 30 per cent. — double British Rail's original estimate.

Research bodies plan merger

BY JOHN LLOYD, INDUSTRIAL STAFF

TWO OF the country's four major research institutions are chancellor of Lancaster University, near to announcing a merger. Sir Alan P. M. G. Colquhoun, chairman of the Political and Economic Planning Centre's council, said yesterday that it was hoped that the new (PEP) and the Centre for that it was hoped that the new

Studies in Social Policy have organisation would have been discussing plans for some budget of about £750,000 and a time, and both expect their com-

plete to ratify the plans in principle by the middle of next month.

The organisations are roughly equal size with annual

research staff of about 40. That is big enough to provide facilities without becoming too big.

The organisations are roughly equal size with annual budgets of £250,000 and about 13 appear to have rejected Professor

Dahrendorf's call for a similar areas, though PEP tends to employment and invest has stimulated both the proposed

analyses social and educational

all four of them to co-operate

more closely than they do at

present.

Both organisations are partly

stressed funded by government partly by

last night, however, that they trusts both have the same structure

which has decided against the creation. There would be few problems if the two organisations were merged, but

Brookings' The merger will mean that the Ombudsman's office said last night that he hoped the merger would take effect before the end

of the year.

Both organisations are partly

it will be up to the

the approve the replacement date chosen by the loca

and with special care,

National Institute for Economic

and Social Research and the Royal Institute of International Affairs at Chatham House.

would pick up some extra funding after the merger.

Colquhoun decision unlikely to be reversed

By Rupert Cornwell, Lab

MRS. MAUREEN COLQUHOUN

Labour MP for

constituency pa

Northampton North on

night appears to have

remotest of chances if

reversal of the decision

Mrs. Colquhoun was

sticking by her inter

appealing to Labour's

Executive Committee as

verdict. She will also

best to address the

conference in Bright

week when the whole

reselection of MPs com

debate.

So far, Transport H

heard nothing of her pl

last night close observ

few technical gro

which a complaint of irr

could be upheld. The

that the series of Nor

constituency meetings

in her dismissal b

order.

If the sitting MP is

it will be up to the

the approve the replaceme

date chosen by the loca

and with special care,

which would char

on a swing of only 2

to the Tories.

Meanwhile, a rare

expression of sympathy

Colquhoun's plight in

Mr. Reg Prentice, th

Labour Cabinet Minis

center, to give h

similar dismissed in

Northampton.

He carefully avoi

comment on the speci

her case, which ent

only public statem

ambiguous support to

Bowles' views on im

also disapprova

troversial private life.

But Mr. Prentice sa

utterly wrong for "a

people to have the

choose a candidate and

an MP. He called fo

system of selection, a

possible to the prim

use in America.

moment there is too m

in the hands of too f

who are not respons

wider electorate."

IN BRIEF

Cost of fire damage cut

COST OF FIRE DAMAGE CUT

FIRE damage in Britain in the

first eight months of the year

estimated to have amounted

to £147.4m. up against £146.8m.

in the corresponding period last year.

The British Insurance Associa

tion yesterday estimated the cost

of fire damage in August at £151m.

against £155.5m. in the same

month of 1976.

Boost from bets

Receipts from all betting and

gaming duties in August

amounted to £26.1m. according to Customs and Excise figures.

This compared with nearly £25.5m.

in July and with £24.4m. in

August, 1976.

Cold comfort

Considerably fewer domestic

refrigerators — British manufac

tured and imported models

are now in use.

Wolfson gift

The Wolfson Foundation yester

day announced that it had con

tributed £150,000 to

the Food Appeal Fund of the Roy

Beezer and Refrigerator Council

£100,000 was delivered comp

in nature.

Monty Finniston and his

£50,000, has now re

£50,000.

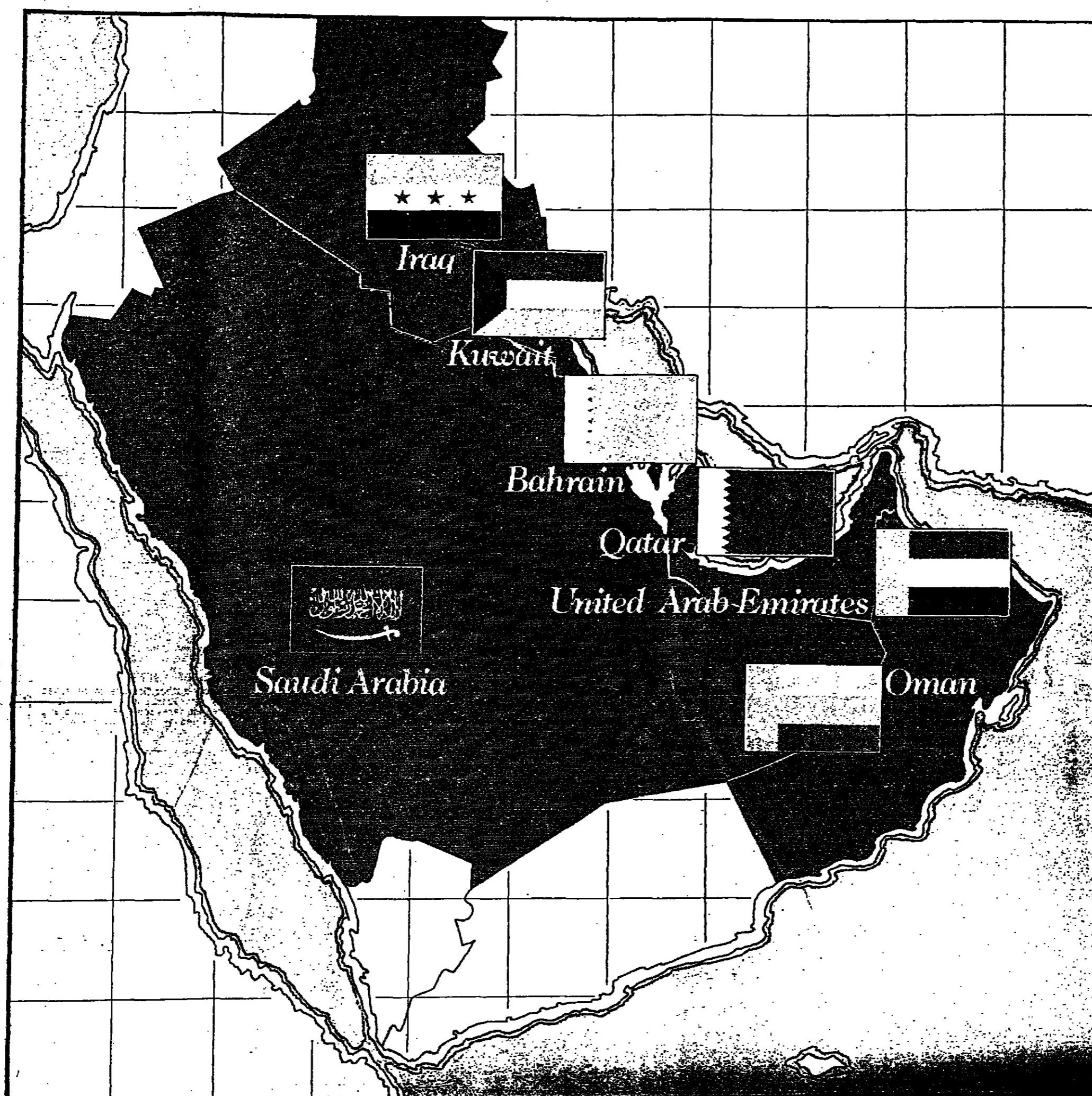
Pillaging claim

A top official of the Na

Scotland's oil and o

resources

All these countries own The Gulf International Bank.



The Gulf International Bank represents seven Arab States bordering the Gulf. Bahrain, Iraq, Kuwait, Qatar, Saudi Arabia, Sultanate of Oman and United Arab Emirates. Owned directly by the Governments of these states and with an authorised capital of US \$100,000,000 and issued capital of US \$70,000,000, the

bank has their strong backing and support.

Already a major force in the Gulf Area, G.I.B. will extend operations worldwide, to grow into a major world bank offering complete commercial and merchant banking facilities to and from the Gulf Area and throughout the world.



THE LIBERALS AT BRIGHTON

PR voting set Smith views outweighed as test for lasting pact

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH THE agreement of Mr. David Steel and his Parliamentary colleagues the Liberal endorsement motion was put to a vote. But the approving assembly yesterday made a reception obtained by Mr. Cyril Smith, MP for Rochdale, when NPs to a proportional representation system of voting in terminate the pact, provided an direct elections to the European Assembly among many of the 1,500 delegates.

To the obvious disappointment of some of the more hard-line critics of the pact, no precise figure was stipulated for the total support expected from the Parliamentary Labour Party when direct elections legislation is introduced in the new parliamentary session.

But there was a substantial majority for an amendment to the main motion, endorsing the party which committed the as well. It is in David Steel's assembly to the view that "the support of a substantial majority of Labour MPs for a PR system should be regarded as a crucial indicator of Labour support for the pact."

There was sustained applause when he stated: "I say this to David Steel with great respect: I want to be a Cabinet Minister as well. But it is in David Steel's assembly to the view that "the support of a substantial majority of Labour MPs for a PR system should be regarded as a crucial indicator of Labour support for the pact."

Mr. Christopher Mayhew, the former Labour Minister, on behalf of the Home Counties Liberal Party, moved the amendment making the introduction of a PR system for direct elections to Europe the crucial test for continuation of the pact.

Amid applause, he made it clear that he would have preferred a tougher stand, requiring support of at least 100 Labour MPs for the legislation.

Mr. Mayhew contended that it would be inconceivable for the party to continue if lack of support from Labour MPs resulted in proportional representation not being introduced as the voting system for the elections.

He was adamant that if Labour MPs failed to vote in the necessary strength, the Lib-Lab pact must be rescinded as being at an end. "I think the party does regard this issue as a sticking point," he declared, amid applause.

Lord Banks, who accepted the amendment on behalf of the Standing Committee, responsible for developing party policy, claimed that "it would mark it abundantly clear how strong feeling was in the Liberal Party about PR being used as the basis of direct elections.

The committee, he said, agreed that it was a crucial matter. They agreed with Mr. Mayhew that it would be difficult, indeed, for the Lib-Lab pact to continue if the regional list system of PR embedded in the direct elections legislation were to be lost through the way Labour MPs voted.

He believed that the ending of the pact would not bring about an immediate election. Liberal MPs, by using their muscle, would be able to exert just as much pressure on the Government as the party.

He had no wish to see a Tory Government in Britain, and there were others when he dismissed Mrs. Thatcher's "lust for power," which had led her to put her own interests before that of the country.

As a democrat, however, he recognised that it was for the

BY PHILIP RAWSTORNE

THE LIBERAL Assembly yesterday stamped its approval on the Lib-Lab pact—but waited with some impatience for the Government to deliver the goods.

Mr. David Steel was given overwhelming support for his package deal with Mr. James Callaghan. Attempts to re-open the pink string and sealing wax and re-negotiate the contents were decisively defeated by a majority of nearly two to one.

But the Liberal leader was forced to accept the insertion of a cautionary note that the support of the Government and Labour MPs for European elections on a proportional representation basis would be required as an early act of good faith.

Mr. Steel's hands, however, remained free enough to applaud the result. The warning that his party would be "watching like hawks" the development of the Lib-Lab agreement had been directed

more in the direction of the Prime Minister.

Delegates were agreed that they had been right so far to co-operate with Labour in the national interest. Some strong differences remained over whether it would be in the party's interest to continue the agreement.

Mr. Geoff Tordoff, party chairman, moving the pro-pact resolution, assured delegates that the Liberal MPs were not being given a blank cheque.

There was a limit to the price the party could pay. But it would be irresponsible to break the deal now when the Liberals had reached a position of real political influence for the first time for years.

Mr. David Penhaligon, the eleventh most enthusiastic of the pact's 12 supporting MPs, brought further reassurance.

Much had been gained, he declared. The Queen's Speech would yield more. If the Government did not concede enough then that was the time

to abandon the agreement and face a general election.

Much stress was laid on the fact that no one feared a general election. But not even Mr. Cyril Smith, who led the opposition and was generously applauded seemed anxious to promote one. He feared, however, that the Liberals had given the PM the option to go to the country at his own convenience.

Liberals could have achieved as much without continuing the pact. They would also have preserved their own identity, now so easily recognisable to the voters.

Mr. Smith felt strongly about his image and made it clear, with some approval, that he was not going to lose it in any future coalition.

But Mr. John Pardoe, abrasively, Mr. Clement Freud, wittily, and Mr. Richard Wainwright soundly, outweighed him. The pact could not, would not be scrapped. Not yet at least, the assembly decided.

Plea for party identity

BY IVOR OWEN

MR. CYRIL SMITH warned on the dangers involved for Liberals in embracing the concept of coalition. "I believe we have got to break this agreement now."

He added: "There is absolutely no guarantee or, indeed, indication as to when the next election will come. I believe, in fact, that we will be in a better position as a party to force the date of that election without the pact than we are with it."

To continue the pact would leave Mr. Callaghan and the Labour Party in the position of being able to pull the rug out from under Liberal MPs at any time they chose.

By ending the pact, Mr. Smith declared, the party would also make sure that it preserved its identity—a major factor for future electoral success.

He believed that the ending of the pact would not bring about an immediate election. Liberal MPs, by using their muscle, would be able to exert just as much pressure on the Government as the party.

He had no wish to see a Tory Government in Britain, and there were others when he dismissed Mrs. Thatcher's "lust for power," which had led her to put her own interests before that of the country.

As a democrat, however, he recognised that it was for the



Mr. Cyril Smith argued that Liberals were better placed to force an election without the pact.

Photographs by Terry Kirk

elators to decide whether Britain should have a Tory Government and not the Liberal Party.

Supporting the pact, Mr. Richard Wainwright, MP for Colne Valley, said it was grotesque to describe Liberal MPs as "jobless fiddlers in the Commons." The Labour Government knew the Liberals could not support a particular proposal, then they did not bring it forward.

This had been the case on the nationalisation of water and the suggestion that staff representation on pension funds should be limited to state-owned

To-day's debates

TRF ASSEMBLY programme to day 15

Morning: Report of the Taxation committee on corporation tax; report of the Taxation committee on the relationship between corporation tax and industrial democracy

Afternoon: Southern Africa, industrial democracy

APPOINTMENTS

Sir Peter Thornton, the permanent secretary at the Department of Trade until March 1976, has now retired this year joins the main Board of ROLLS-ROYCE on October 1. Ms Ashley Burchett, formerly of Shell, has also been appointed to the Board from next January.

Lord Geddes, formerly of the Ministry of Defence & D.A.S.A. on September 28, and Mr. Peter Grosses becomes managing director of the company from October 1.

On the other side Lord Geddes joins Thomas Nationwide Transport, Sydney, Australia in a senior executive capacity on the shipping side. Based in Hong Kong until early next year, Lord Geddes will establish a London office in mid-February.

THOMSON REGIONAL NEWS PAPERS Mr. W. A. Gillespie has been appointed managing director of Post-Echo, Hemel Hempstead. Mr. Gillespie succeeds Mr. W. H. Heppen when the latter takes up an appointment as managing director of Thomson Magazines in October. Mr. Gillespie has been deputy managing director of Post-Echo since 1973.

Professor W. G. McClelland has been made chairman of WASH-

Cabinet, who had been opposed to the legal right to join a trade to the Lib-Lab pact.

"This is not through want of trying by myself and my Liberal colleagues," Mr. Smith assured the assembly, adding that arrangements were in hand for a further meeting with the Minister next month.

Replying to a question on industrial policy Mr. Richard Wainwright, MP for Colne Valley and spokesman on trade and industry, called for Government action to start worker co-operatives in positive and hopeful situations and not just in disaster areas.

He reminded delegates that not all the faults in the Grunwick dispute were on the employer's side.

A gloomy forecast about the likely trend of events in southern Africa was given by Mr. Jeremy Thorpe, MP for North Devon and spokesman on foreign and Commonwealth affairs when he was questioned on Rhodesia. "I am very pessimistic about the chances of the Anglo-S. project being accepted," he said.

Mr. Thorpe warned that the alternative to a settlement was likely to be "most appalling"—both liberation armies moving in from Angola and Mozambique. There was a strong likelihood, he feared, that the fighting would spill over into South Africa.

There had been no response at all from his meetings with Mr. Alan Booth, Employment Secretary, who he pointed out was one of the members of the South African

delegation.

Robert Proctor, director in charge of northeast regional operations for Derek Crouch Construction has additionally been appointed a director of Derek Crouch (Scotland).

* Mr. Austin W. Walker, chairman of Air Products, has been re-elected president of the INSTITUTE OF ADMINISTRATIVE MANAGEMENT Mr. Alastair Gibson, who has been elected chairman of the Council of the Institute in succession to Mr. R. H. Hill, O & M manager, BUCM Silcock.

* Mr. T. G. Abell has been appointed to the Board of BRODSTONE INVESTMENT TRUST.

* Mr. C. R. R. Bennett, who will be retiring from Glynn Domestic and Heating Appliances next May after 30 years' service, has been appointed chairman of this division of GLYNWED. Successing Mr. Bennett as chief executive on October 1 will be Mr. Terry O'Neill, who joins Glynn from BSR (Housewares) where he was managing director. Mr. O'Neill was also chairman of Bulips (Swan Brand) and Goblin (BVC).

* Mr. R. Patterson, chairman of ROYAL SOVEREIGN GROUP, retires on September 30 after 45 years with the company.

DEREK CROUCH GROUP, Mr. (BVC).

LABOUR NEWS

Vauxhall workers call strike to study new plan

BY PAULINE CLARK, LABOUR STAFF

A MASS meeting of production workers at Vauxhall Motors in Luton has agreed to call off a already rejected an earlier plan for a one-day strike so that an offer of 5.5 per cent. The two unions are now negotiating a common ground.

About 7,000 Vauxhall workers were told yesterday that there would now be normal working conditions.

Two unions reviewed the management's pay offer of until the productivity scheme had been examined.

In their annual pay rounds, Vauxhall workers traditionally will be further talks.

Ministers could become involved during the Labour P

Workers at Chrysler's plant, yesterday voted seven days notice.

Senior officials of the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union will meet Leyland Cars management

plant improvements in sick

lay-off allowances.

ACAS move in on platform union case

BY OUR OWN CORRESPONDENT

A UNION membership inquiry what would be the first step in the Advisory, Conciliation and Arbitration Service which the TUC-recognised could well lead to a union.

A new series of recognition agreements abroad, the shore installations Occidental Piper. A platform will agree between the

be held in November.

This follows a meeting yesterday between the Occidental consortium and members of the Aberdeen-based Inter-Union Forties Field, beginning October 15.

Tentative arrangements have been made for Shell's Brent Field to be held in October.

Union officials have already submitted a 90 per cent. claim to the company.

Shell's Brent Field is currently in negotiations for a pay increase.

These figures are revealed in today's Department of Employment Gazette which also shows that the main cause of stoppages starting in August were strikes.

In the first eight months of this year, there have been over 1,735 stoppages, losing 3,160 working days, compared with 1,245 in the same period last year, losing 2,110 working days.

In 1976 a total of 3,220 working days were lost.

These figures are revealed in today's Department of Employment Gazette which also shows that the main cause of stoppages starting in August were strikes.

The number of working days lost through strikes rose from 298,000 in July to 293,000 in August. And the number of new strikes starting during August also reached 228, compared with 141 in July.

In the first eight months of this year, there have been over 1,735 stoppages, losing 3,160 working days, compared with 1,245 in the same period last year, losing 2,110 working days.

These figures are revealed in today's Department of Employment Gazette which also shows that the main cause of stoppages starting in August were strikes.

The motor industry has the worst record for working days lost, according to the Gazette, with 1,400 days lost so far this year compared with 1,000 in the same period last year.

The Gazette also publishes the results of three year work from the General Household Survey workers' satisfaction with their jobs and hours of work.

This shows that over the last two years, satisfaction with the way pay is keeping up with the cost of living has declined, while satisfaction with relative pay positions has remained fairly steady.

The general level of satisfaction with both pay and hours appears to have remained remarkably constant throughout the period 1974 to 1976.

An article in the Gazette also points out that there has been a net loss of over 3,000 managers a year through emigration for the past three years, whereas in the preceding 12 years the annual net outflow was less than a thousand.

And the first results from the 1973 survey of employers' labour costs are also published, and show that for all manufacturing industries total labour costs averaged 16 pence an hour.

Scargill cleared of obstruction

BY OUR LABOUR STAFF

MR. ARTHUR SCARGILL, the militant Yorkshire miners' leader, was cleared yesterday in a London magistrate's court from a charge of obstructing police and the highway outside the North London Grunwick film processing company.

But the same court

had earlier in the week

against Mr. Maurice J. of the NUM national executive committee.

Another staff association at the British Aircraft Corporation plant in Warton, Lancashire, was also cleared of obstructing behaviour on the Grunwick film processing company.

In one of its rail

against a union, the Conciliation and Arbitration Service, which had issued a notice of independence as a trade union from Mr. John Edwards, the Certification Officer.

The association was notified yesterday that its re-application had been granted as the Certification Office now considered that it was completely independent.

Meanwhile, the National Union of Bank Employees

has been granted recognition.

The dispute began in April with victimisation, with the dismissal of Captain Peter Royston, a pilot and later union, says Lord

in the industry as it

is seeking recognition from the based Vernon Finan

from TUC affiliated unions.

Another staff association at the British Aircraft Corporation plant in Warton, Lancashire, was also cleared of obstructing behaviour on the Grunwick film processing company.

The dispute began in April with victimisation,

with the dismissal of Captain Peter Royston, a pilot and later union, says Lord

HOME NEWS

Sell to spend £3.2bn. new production

By Peter, ENERGY CORRESPONDENT

ROUP is to spend OPEC oil and most governments have so far taken little effective action to encourage either the development of alternatives or the implementation of energy conservation measures."

The evidence showed that from now until 1980 there would be a flattening in the historic growth of the world's oil producing potential. New supplies from non-OPEC sources (the North Sea, Alaska and Mexico) would help to provide a temporary cushion. "This will be short-lived, however, as rising demand inevitably goes ahead, it would be the biggest waterways freight development for many years and would, according to an independent consultant's report, increase the volume of goods carried from 500,000 tons to over 2m.

"This means that new sources of energy, with long lead times, must be developed now if we are to avoid a painful parting of the ways at some point in the 1980s between the world's potential demand for energy and the supply actually available."

The basic problem was that the time-scale had not been generally appreciated. "The energy prospect will be serious before it is obvious."

Three chemical plants launch £8m. schemes

By Kevin Done, CHEMICALS CORRESPONDENT

INVESTMENTS TOTALLING nearly £5m. have been announced by three chemicals companies.

Shell Chemicals U.K. is to build a new hydrocarbon solvents plant at its Stanlow refinery at Ellesmere Port. The new unit, costing £2m., will replace the existing plant, which was developed piecemeal over a period of about 25 years.

The plant, which is scheduled to come on stream in 1980, will develop new solvents for use chiefly by the adhesives, rubber and surface coatings industries.

Attitudes towards energy conservation are changing. In Widnes, Ward Blydenstock is spending £1.5m. on new plants to produce intermediate chemicals for the pharmaceutical industry.

Business leaders show new confidence

By D.Y.D. INDUSTRIAL STAFF

NESSMEN are their staffing levels and this reflected uncertainty over the likely success of the Government's earlier efforts to restrain pay increases and the effects of pay movements on inflation.

Staff increases are forecast by the Manpower Index of Work Trends, quarterly by annual subscription of £20 from Manpower, PO Box 112, Slough.

Overall production is also expected to be slightly down on last quarter—30 per cent. of companies forecast an increase in output, up against 34 per cent. in the previous quarter.

Manpower's Index of Work Trends, quarterly by annual subscription of £20 from Manpower, PO Box 112, Slough.

In lagging behind protecting privacy

lagging behind protecting privacy when it was claimed the National Civil Liberties in campaign to have the challenge held by the legal authorities, employees, associations.

The NCCL has drawn up its own Charter of Fair Information Practice and would like to see it implemented to safeguard the individual's privacy.

The 10-point plan includes demands that no personal data bank must be secret; people should have the right to see their credit reference files.

Since then, only one law on privacy has been passed—giving people the right to see their credit reference files.

The Government has promised to set up a Data Protection Authority with responsibility for computers. The Data Protection Committee is considering proposals for legislation.

The NCCL has drawn up its own Charter of Fair Information Practice and would like to see it implemented to safeguard the individual's privacy.

The 10-point plan includes demands that no personal data bank must be secret; people should have the right to see their personal files, as well as parents to see their children's files; legal controls on the way in which information is collected; information collected should be relevant and minimal; information should not be used without the person's knowledge or consent; transfer of information abroad must be controlled; the Netherlands have law should guarantee the individual's right to privacy; a Data Protection Authority should be established.

Tory to halt Leftist ex-Labour MP

The Conservative party would then appear that the Marxists to end the tactic of appealing the Left-wing in order to present an apparently sensible slide to win elections has become an East state, says Mr. Wyatt.

The preposterous coalition between the social democrats (whose approach is little different) and one-third of the Conservative MPs and all of the Liberal MPs and the Marxists, Trotskyists and other extremists might then collapse.

The pact with the Liberals had halted the Labour Government's implementation of the wishes of the extremists. But, argues Mr. Wyatt, the moderate and reasonable behaviour thus forced on the majority probably made many forget how alarming IP for Bosworth their behaviour was before the shock of pact.

"What's Left of the Labour Party?" by Woodrow Wyatt, Sidgwick and Jackson, £6.95.

Waterways may win EEC grant

By Ian Hargreaves, Transport Correspondent

THE BRITISH Waterways Board may get a £2.5m. grant from the European Commission to finance major improvements to the Sheffield and South Yorkshire Navigation.

If the long-delayed scheme goes ahead, it would be the biggest waterways freight development for many years and would, according to an independent consultant's report, increase the volume of goods carried from 500,000 tons to over 2m.

The Board following a meeting with the Commission is optimistic that it will receive a 20 per cent. grant towards the cost of the £1.5m. project, provided that the U.K. Government gives its formal backing.

It would take over three years to complete the works, which would lift the maximum gross weight moveable on the waterway from 50 tons to 700 tons. This, it is hoped, would be the key to quadrupling freight volume.

The Board is especially enthusiastic about its role in securing economic development in South Yorkshire. British Steel Corporation's recently opened Thrybergh mill is alongside the waterway.

Another component in the waterway's development would be the so-called Rotherham scheme of the Rotherham District Council—a plan to provide a waterside freight interchange for barges, trains and lorries.

Welsh Development Agency's slow start on industrial front

By Rhys David

SPENDING BY the Government-funded Welsh Development Agency fell way below expected levels in its first year of operation as a result of the poor economic climate. Its report for the current year at £1.8m. Hoover which will eventually publish yesterday reveals.

Out of an initial five year budget of £10m. with provision for another £5m. if required, the agency spent only £3.5m. in the year from January 1976 to March 1977. The vast bulk of the demand for new premises in

industrial sites and premises.

The organisation, set up to provide investment finance for industry in Wales and to take over factory buildings and land reclamation functions previously carried out by other bodies, is confident of shortly being able to make a more significant impact on the problems of the Welsh economy.

The report forecasts a continuing gradual improvement in the Welsh economy over the rest of the year to the end of March 1978 and a higher level of spending by the agency in support of new manufacturing invest-

ment.

The agency also expects the current year to see a big increase in the provision of investment capital for industry which in its first year accounted for a mere £100,000 or 1.2 per cent. of total spending.

Mr. Ian Gray, managing director of the agency, claimed yesterday that this function had now got off to a "flying start." Following the appointment earlier this year of a number of executives

With the agency taking stakes in a number of small companies major new industrial estates over recent months, direct Bassau, Gwent, and to acquire land at Shotton, Clwyd, agreement was running at the half-way stage to build a £10m. factory for the current year at £1.8m. Hoover which will eventually publish yesterday.

The agency blames its slow growth and further progress for another £5m. if required, the agency spent only £3.5m. in the year from January 1976 to March 1977. The vast bulk of the demand for new premises in

industrial sites and premises.

Among the problems which the agency believes remain to be tackled is the slow development of the small and medium-sized business sector.

"More rapid development is essential to the strengthening of managerial capability, product innovation and output growth,"

The agency also expects the current year to see a big increase in the provision of investment capital for industry which in its first year accounted for a mere £100,000 or 1.2 per cent. of total spending.

Total employment in factories and estates operated by the agency was down in line with the rest of the country.

The report sees grounds for optimism in the improving U.K. economic situation and claims that 60,000 in March, this year, tributary towards the long-term.

Despite economic setbacks, the regeneration of the economy and

development which were under-taken during the year including end of the present year.

Iron foundry industry aid totals £66m.

By Our Northern Staff

COMPANIES in the ferrous foundry industry are now well on the way to taking up the entire enlarged total of £80m. Government aid made available for reinvestment and rationalisation under the Industry Act 1972.

Latest figures from the Department of Industry show that a total of £66m. assistance has so far been approved under the scheme for projects representing a total investment of £300m.

Aid to the industry was originally set at £25m. Later it was increased to £40m. and following a strong response from the industry, doubled in July of this year to £80m. in the Chancellor's July package of measures to aid the economy.

The scheme closed officially at the end of last year but a number of applications are still being processed.

Another new project assisted under the scheme was opened yesterday when the Hull-based Starkey's Technicals opened a new foundry representing an investment of £240,000 at the town's Sutton Fields Industrial Estate.

Management of smaller enterprises, while technically competent within its own trade, is often far short of acceptable standards.

The foundry, one of the few to be built on a greenfield site in the U.K. in recent years, produces grey iron bar on a continuous cast basis for use by the machine tool and other industries.

The company, founded seven years ago, employs 45 people, and also makes sand castings on the same site.

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Flooding tide of social 'scientists' · Creative capital

BY MICHAEL DIXON

GICO, an acronym standing for and in social studies 1,251. "garbage in, garbage out," is This aptly sets the stage for mainly used with reference to the re-entry of our educational computers. But its message—planners. For their evident roughly that, no matter how design for the future, further skilful the calculating and firm extended shape of our expensive the subsequent answer, it is graduate-producing industry almost bound to be wrong unless suggests that, if the employer you ask the right question in the first place—has applications chance to remain static, the numbers surplus to require.

It applies of course to people, collected in due course from the country's taxpayers. My particular example this week is the Department of Education and Science. But first we will glance at some figures from the recent past.

At December 31 last when the employment market, although cold, was generally warmer for graduate newcomers than for non-graduates, the output at bachelor-degree level from the universities and polytechnics was apparently surplus to market requirements in all main subject areas.

The numbers respectively believed to be unemployed at 1977-78 to just over 62,000 in that date, some six months after 1981-82. In the polytechnics, the group collecting their degrees, were as follows: graduates in engineering and technology 450, in sciences 1,148, in arts 1,203, 19,000.

Together, these would give us more than 81,000 British new graduates five summers hence, distributed among the main subject groups in the following proportions: medicine and allied 6.1 per cent; engineering for Education and Science 14.7 per cent; sciences including agriculture 24.1 per cent; arts 25 per cent; and social studies 30.1 per cent.

Now this does not mean that the student demand as a guide to State education system are con-

cerned the country if it is to refute that sus-

ceptibility of the Department of Education and Science to the taxpayers who will pay

moreover the "great debate" publish its predictions of coming expansion for scrutiny

Education and Science after the Prime Minister's plea a year ago for it and by the employers

wanted greater attention to education.

But on the evidence that the

university system's output more closely line with the needs products of social studies

tors to serving the economy, to recruit the

specifically excluded universi-

ties and polytechnics from the course ruled out. The British

undergraduates to furnish the

omission seemed surpris-

forecast output of about 4,700

influence on "student demand" in science and suchlike, 10,700 in

small companies, which may or

not be quoted. The venture

is intended to include supplying

the working capital for a

few groups of two or three

which supplies steel reinforce-

ments bars and wire mesh fabric

acres.

"We're not looking for quick

recruit will be responsible for

capital gains," Mr. Anthony preparing financial statements

says. "We want a piece of the

action, and to grow with the company and credit control

we invest in. So the

Post-qualifying experience in

home telephone 051 62

themselves, one can only guess, fluency in ignorance, to further expand our business in the following two years working in dry figures. The job Salary £5,500. Perks inclu-

In the circumstances I cannot school children into choosing at a time when the Association will depend a lot on going into Inquiries to Ms. Wood b-

help recalling the hostile, and sociology for their own degree. University Teachers is about the field, looking at companies phone at 01-235 7030,

eventually victorious, mandarin. But now, viewed in confine to start clamouring for an and their managements, and sign 288,

reaction to Lord Crowther-Hunt with the existence of the enhanced pay rise, on grounds making wise human decisions?

that its members are being required to teach greater numbers of students without compen-

salaries, the most powerful, government

organisations replace the where the most powerful,

present nebulous concept of relatively expensive parts of the

"student demand" as a guide to State education system are con-

cerned how many student places are cer-

tain subjects the country if it is to refute that sus-

ceptibility of the Department of Education and Science to the taxpayers who will pay

for greater attention to education.

Education and Science needs to

want a corporate finance man-

ager to head a new development

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Candidates, preferably qualified accountants, should be aged under 40, with several years' experience in taxation. Knowledge of international tax is desirable though a broad technical knowledge, an outgoing personality and the ability to communicate well (in writing and verbally) are essentials.

This position offers excellent prospects and high financial rewards.

For full information on this appointment and interviewing arrangements with a visiting partner, please contact Richard Norman, F.C.A. or Barbara Lord, M.Sc. quoting reference 1965.

£15,000+



Douglas Lambton Associates Ltd.
410, Strand, London WC2R 0NS.
Telephone: 01-226 5507.
1 St. Vincent Street, Glasgow G2 5HW.
Telephone: 041-226 3107.
and in Edinburgh.

INTERNATIONAL BANKER

Nordic Bank Limited requires a Regional Manager (Norway) to be based in London. The successful candidate will run a small team, responsible for marketing the Bank's services in Norway and to Norwegian related business in the U.K. Credit appraisal, research and presentation of proposals to Credit Committee will form part of the day-to-day tasks of the department, as will the supervision of the Norwegian Industrial and Commercial lending portfolio.

The position will involve a certain amount of travelling particularly in Norway. Responsibility for other geographical areas might be added later depending on experience.

We are looking for a university graduate with several years' banking or financial experience preferably gained in the international field. A person with a thorough knowledge of trade and project finance and able to conduct independently negotiations with clients and other banks at a high level.

Fluent English and Norwegian are essential. At least one other European language would be an advantage.

The salary will be commensurate with experience but should attract the right person. Assistance with housing, relocation expenses and other fringe benefits will also form part of the compensation package.

Applications as soon as possible in writing with particulars of past experience, education, age and family circumstances should be addressed to Mr. J. C. Clark, Manager Personnel and Administration, Nordic Bank Limited, Nordic Bank House, 41/43 Mincing Lane, London EC3R 7SP, or to Mr. R. Sundt, Personnel Director, Den norske Creditbank, Kirkegaten 21, Oslo 1, Norway.

Interviews will be held in London and Oslo in the autumn.

Applications close by 30th October.

NORDIC BANK

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| Nordic Bank Ltd. London and Singapore Hong Kong | Shareholder's Funds Total Assets £27 million Total Staff 160 | Shareholders of Nordic Bank Copenhagen Handelsbank Copenhagen Denmarks Creditbank Oslo Kansallis-Osake-Pankki Helsinki Swedish Handelsbanken Stockholm |
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MANAGING DIRECTOR

For an expanding company with a turnover of £4m. involved in the hire of mechanical services and equipment to large civil and structural engineering contractors.

The brief is to grow the business significantly whilst at the same time optimising the profitability of the existing operation.

Key characteristics of a successful candidate are:

- experience of managing an asset intensive operation subject to peaks in demand
- a mature understanding of financial principles and practice
- age range 34-40

Salary indicator is £13,000 + car and generous fringe benefits.

Applications, in strict confidence to Box A6093,
Financial Times, 10, Cannon Street, EC4P 4BY.

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

LENDING OFFICERS to £12,000
We currently have several vacancies with international banks for experienced international lending officers. Applicants will be aged in their mid-twenties to early thirties, ideally based in the U.S., Europe, Australia. Preferably be fluent in at least one other European language, and have marketing experience in Southern Europe and/or Middle East areas. Attractive starting salaries are negotiable up to £12,000 according to experience.

Contact: Leslie M. Souter (Director)

CREDIT ANALYSTS to £6,500
We currently have several vacancies with international banks for credit analysts with at least eighteen months' previous experience dealing generally in international banking. Applicants should be aged between 23 and 28 years of age and either possess a degree or A.I.R. A knowledge of another European language would be an advantage.

Contact: Leslie M. Souter (Director)

FINANCE REPRESENTATIVES to £6,500
A large U.S. international bank is seeking a qualified Chartered Accountant aged about 26, with two years post-qualifying experience. All senior vacancies within the European Audit team. This London-based position will involve travel to various parts of the Continent.

Contact: Norma Giese (Director)

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX 01-623 1266

AUSTRALIAN TREASURY Australian Government Actuary

SA31105*

Deputy Australian Government Actuary

SA26137*

The Treasury invites applications from suitably qualified men and women for the positions of Australian Government Actuary and Deputy Australian Government Actuary. These positions are located in new premises in Queanbeyan, 23 km from Canberra.

The office uses a wide range of actuarial techniques and provides actuarial advice to departments, government authorities and other organisations. In particular, the office is concerned with investigations into the integrity and stability of long term contracts where money is received or paid in advance as a contribution for payments to be made when certain events occur in the future.

The *Australian Government Actuary* will:

- Direct and control the work of the office.
- Provide policy advice as may be requested by the Treasurer or the Secretary to the Treasury on matters to which actuarial and related expertise is relevant.
- Provide actuarial advice as required to various Government departments, semi-government and authorities etc. as well as to the Life Insurance Commissioner and the Insurance Commissioner.

The *Deputy Australian Government Actuary* will:

- Supervise and direct actuarial investigations and analyses of experience of superannuation and other similar funds, including but not restricted to:
- analysis of mortality and other data relating to contributions and pensioners of a particular Fund;
- valuation of pensions and lump sum superannuation funds.

analysis of surplus or deficiency in a Fund and the making of recommendations on the measures to be taken.

* Assistant and replacement the Australian Government Actuary is required including inter-departmental meetings, and in discussions and consultations with client departments, semi-government and other authorities.

The successful applicants will possess a Fellowship of the Institute of Actuaries (London) or Faculty of Actuaries (Edinburgh) together with extensive experience in the investigations of pensions and superannuation funds.

They will be appointed as permanent officers to the Second Division of the Australian Public Service and will participate in the Retirement Benefits Scheme. Conditions of service include four weeks annual recreation leave with a bonus payment, cumulative sick leave, maternity leave and eligibility for long service leave on completion of ten years service. Reasonable relocation expenses may be borne by the Department and an allowance for temporary accommodation may be given to married applicants from outside Canberra. Temporary accommodation is available.

* At present exchange rate, £1 = \$A 1.40 approximately.

Applications, which close on 20th October, 1977, should be directed to:

Recruitment Officer, Public Service Board, Canberra House, 10-16 Malbury Street, Strand, London WC2R 3RL.

CHIEF ACCOUNTANT

Our clients are a leading firm of Stockbrokers based in the City.

They wish to recruit a Chief Accountant who will be responsible to the Finance Director for the financial, internal audit and management accounting functions. An important aspect of the position will be the simplification of present systems which relate to a complex and fast moving business with a substantial volume of obligatory reporting. The successful candidate will be a qualified accountant, aged from 28 to 40 with proven experience ideally in stockbroking or in a financial service organisation.

Salary will be £10,000 per annum and fringe benefits include a bonus scheme, non-contributory pension scheme and B.U.P.A.

Please write or telephone for an application form, quoting ref. 881, to:

W. L. Tait
Touche Ross & Co.
Management Consultants,
4 London Wall Buildings,
London EC2M 5UJ.
Tel: 01-588 6644.

SENIOR TAX CONSULTANT SINGAPORE - £18,000

Turquand, Youngs & Co. require a Senior Tax Consultant for their Singapore office. The continued expansion of their tax consulting service in South East Asia has necessitated the recruitment of an additional Senior Tax Consultant. The work is varied and responsible and includes giving advice on a wide range of complex corporate tax matters. They are looking for a candidate who has:-

- An overall knowledge of Revenue laws.
- At least five years' experience in a senior position in either the Inland Revenue department or a professional practice.
- The ability to communicate effectively with clients.

They offer excellent career advancement opportunities and most attractive working conditions. Please apply to:-

TBM The Staff Partner
Turquand Barton
Mayhew & Co.
Lynton House
7 Tavistock Square
London WC1H 9LS

Corporate Finance

Merchant Banking

We are expanding our corporate finance department which is responsible for advising clients on financing and other corporate problems, including issues, mergers and acquisitions and wish to recruit an additional executive.

The successful applicant will be a chartered accountant aged about 25-28 with two years' post qualification experience. Salary and benefits are negotiable. For further information contact Tony Vernon-Harcourt on 01-606 7070 or write to him at Keyser Ullmann Limited, 25 Milk Street, London, EC2V 8JE, stating briefly how you meet our requirements.

Keyser Ullmann
25 Milk Street, London EC2V 8JE

EXECUTIVE P/A INTERNATIONAL GROUP BANKING AND FINANCE £4700

A person with a business qualification and 5 years financial administrative experience is sought to be a P.A. to Director of well established fast growing International Banking Group, part of a worldwide Travel Organisation.

Responsibilities will include project research in any aspect of the Company's business, monitoring financial trends, liaison with senior management and acting in secretarial capacity for Company Management Committee. Ability to think logically and quickly and communicate easily at all levels is needed. Promotion prospects to department management level are foreseen. The position offering good conditions is based in the West End of London. Please reply for interview giving job references to:

Ian Willis, Right Match International,
26 Dover St, W1 01-491 4237.

FINANCIAL DIRECTOR (DESIGNATE)

WEST LONDON

INITIALLY c. £12,000

The Godfrey Davis Group is a £60 million turnover organisation operating in the United Kingdom and overseas, principally engaged in the rental, leasing, distribution and servicing of cars and other vehicles, including interests in leisure activities and property. Our track record as a public company is excellent, and we have shown significant growth both organically and through acquisition.

We now wish to appoint a Group Financial Controller who will succeed the present Financial Director within two years. The accounting functions is sophisticated and well managed, enabling the Director to play a major part in policy making.

Godfrey Davis

Chief Accountant

Starting Salary c. £10,500

An outstanding career opportunity in Dubai exists for a qualified accountant of at least three years standing.

Our client, a recently-formed publishing company establishing an English language newspaper, requires an ACA or ACMA to act as Chief Accountant for the new venture. Initial responsibilities of the position are setting up management information, costing and accounting systems.

As well as excellent salary, prospects, benefits include free housing and a car. The right man can also expect early promotion.

Applicants, preferably married, should send comprehensive career details (plus a recent photograph) to:-

Mary Dickie 186 City Road, London ECT 2NU

PR 01-251 1644

ROBSON R

Assistant Company Secretary

\$8,000

An expanding City-based Lloyd's Broker has decided to strengthen their senior administrative team as they approach a new phase of business growth. He or she is to report to the Company Secretary and is to be prepared to undertake a wide range of responsibilities including special assignments.

This appointment will ideally suit a Chartered Secretary aged around 25 to 30 who can demonstrate appropriate experience and ability across the whole administrative function. This will vary from taking minutes of main Board, Committees and senior salaries, to the administration of a building and controlling the work of small contractors. Experience as a Company Secretary in the insurance industry or a large organisation such as the Services could be an additional advantage.

Initial salary indicator is up to £10,000. Prospective candidates must be over 21. Write in confidence, with brief career details to: R. A. G. Personnel Services Division 10.

Spicer and Pepler & Co.
Management Consultants,
2 Devonshire Place,
London WC1N 4PL

LONDON EC1M 4PL

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C&L

up to £15,000

CHARTERED ACCOUNTANT

Client A large well respected quoted city group.
Job Initially a controller position leading within two or three years to the post of Financial Director in an important subsidiary in the group.
Candidate Age from 30 preferably with "top ten" large firm experience followed by a minimum of three years spent outside the profession preferably in a similar role.
 Please send brief but comprehensive details of career and salary to date, which will be treated in confidence, to:
 E. J. Robins, The Executive Selection Division—MF904,
 Coopers & Lybrand Associates Ltd., Management Consultants,
 Shelley House, Noble Street, London, EC2V 7DQ.

International Bond Dealer

FINANCIAL DIRECTOR

At the newly formed merchant banking division of a fast growing international finance group, our Client's recent entry into Eurobond market is nothing remarkable, it is remarkable is the dynamism and energy of our Client's vigorous team, and the standing level of success they have already achieved in a few short months of Eurobond dealing. Their initial success points to impressive expansion—a development in which appointment of a Eurobond Dealer will a central role.

As the number two in the investment division, the man or woman our Client selects possess business-related academic qualifications of the highest international standing, present, he or she will be working in the money, syndicated Eurobonds market should have at least five years' experience in the international bond market, with a good understanding of equities and stock

market operation. Experience should also encompass such areas as US securities and the international money market.

On a personal level, the successful candidate will be characterized by the ambition to become a senior bond dealer in the short term, and by the all-round ability to progress to senior executive positions in the long-term.

The location is the City. The salary and benefits package will fully reflect the importance our Client places on this appointment, and the combination of qualifications and abilities the role demands.

Please write with a full c.v. to Position No. AGI 626, Austin Knight Limited, London, W1A 2DS.

Applications are forwarded to the client concerned, therefore any companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Corporate Finance Manager £8500+

CIN Industrial Finance Limited—a Company wholly owned by the National Coal Board's Superannuation and Pension Funds—seeks a Corporate Finance Manager who will report to the Director of Industrial Finance.

The Candidate appointed will be responsible for the appraisal, negotiation and implementation of investments relating to project finance; this will involve carrying out examinations of widely diverse industrial activities covering such sectors as plant leasing, engineering, stockholding and agriculture (comprising both farming and food processing).

There is also specific responsibility for co-ordinating the Fund's direct investment in agriculture, and for the administration and accounting for the joint funds invested on behalf of several institutions in the financial sector.

Candidates must have knowledge of investment appraisal techniques and a familiarity with company and finance legislation gained in a comparable appointment. An accountancy qualification will be expected.

Please write with full career details to:

Lionel Anthony,
Director, Industrial Finance,
CIN Industrial Finance Limited,
10 Bouvierie Street, London EC4.

Chief Accountant

Commodities Account Executive

Our client, a well-established firm of brokers with full back up facilities, requires an experienced account executive to play an important part in their further expansion.

The person we seek is an ambitious individual who, having achieved a high level of success, will now be attracted by greater scope for career development.

The position, which is London based, offers an extremely attractive remunerative package. Contact F. J. Stephens who will treat all enquiries in the strictest confidence.

Stephens Selection
Dover Street, London W1X 8RA. 01-489 0617
Recruitment Consultants

PARTNER DESIGNATE £7,500 — £10,000

medium-sized and expanding Holborn Chartered Accountancy firm will be a tax manager aged 25-30 with a high degree of personal and company tax experience. The firm in which professional life is enjoyed and staff and we intend to keep it that way.

NEVILLE SASSIE
BARNES ROFFE & CO.
24 Bedford Row,
London WC1R 4BA.

YOUNG ACCOUNTANT
An exciting new opportunity now exists in London, fully leading to a firm appointment with a highly respected International Group. A young qualified accountant in the accounting techniques with a sound industrial background is sought. He/she will play a major role in management controls and in ensuring their smooth operation.

Please contact:
RECLAYS EXECUTIVE APPOINTMENTS LTD.
100 Chancery Lane, London WC2A 1AS. Tel: 01-835 3816

Area Training Adviser LONDON

The Distributive Industry Training Board has a vacancy for a Training Adviser to work in the East End districts of London and based at our Southgate Office.

The successful applicant will be expected to display a high level of self motivation, personal organisation and inter-personal skills. Additionally, he or she will have the ability to discuss trends and problems within the industry in meaningful and relevant terms, to assist companies to prepare and implement action plans to meet their business/training needs. A high degree of training organisation and practical ability is necessary, plus experience in one or more of the following at management level:

Retail, Wholesale, Buying and/or Personnel Training

Applicants would need to have developed some understanding and skill in:

- Business Economics Planning and Strategy, Resource Management and Sales and Marketing. Candidates should ideally have a degree or equivalent, HND or IPM Diploma.

Commencing Salary (including Threshold payment) is £4,258 per annum. An Inner London Allowance of £327 per annum is also payable. A car is provided and applicants must therefore hold a current driving licence.

Regular salary reviews and excellent opportunities for personal development exist within the national team of Field Advisers and the right person will find this job an exciting and rewarding challenge.

Please write for an application form quoting REF: ATA/53 to The Personnel Controller, Distributive Industry Training Board, McLaren House, Talbot Road, Streatham, Manchester M32 0PP, within the next SEVEN days.



Financial Planning Director Singapore

£20,000 plus attractive fringe benefits

Our client is a long established profitable Group in the Far East and Australia, with an annual turnover of £110 million and engaged in a wide range of merchandising activities, engineering, manufacturing, shipping and tourism. The Group is associated with two U.K. based international companies and the career prospects are excellent.

This is a senior Group appointment for which the applicant must be a qualified Accountant, with a successful track record in commerce or industry. He should have a well rounded education, be a good communicator and well versed in financial planning and control.

Please telephone David Munns on 01-629 7566 or write giving full career details.

KORN/FERRY DICKINSON LIMITED,
20 Queen Street, Mayfair, London W1X 7PJ

**KORN/FERRY
INTERNATIONAL**

**DRAKE
ACCOUNTING**
a DRAKE INTERNATIONAL company

ASSISTANT FINANCIAL CONTROLLER EUROPE £8000

The European Headquarters of a substantial privately owned U.S. Corporation is now seeking to strengthen its London based management team with this new appointment. Operating exclusively in Europe, they are specialists in the production of lubricant based coatings for a variety of industrial and commercial applications.

The Assistant Financial Controller Europe will be responsible for financial and management reporting, co-ordination of computer and costing systems, advising on the feasibility of further computer developments, audit, control and movement of funds and eventually fiscal negotiations.

This is a demanding position which will require regular visits to all European locations. A high level of commitment is required and success will offer the opportunity of progression in Europe.

If you are professionally qualified, aged 27-35, with a record of success in an international company, experienced in the use of computers and ideally have a knowledge of another European language, please ring Brian Cognet, A.C.C.A., on 01-628 2691, for an immediate interview.

DRAKE ACCOUNTING (Consultancy)

80 Bishopsgate, E.C.2.

CHARTERED ACCOUNTANT

INTERNATIONAL WINE COMPANY

requires qualified Chartered Accountant aged 35-45 to implement new financial systems. Previous experience in commerce essential. Although based in London, knowledge of a Latin language an advantage. Excellent prospects.

Please write to Box A.6089, Financial Times,

10, Cannon Street, EC2P 4BY.

International Recruitment Specialists for the Commodity Markets

ACCOUNTANT ADMINISTRATOR Qualified Accountant for East Africa with 1-2 years experience. Age 28-45. Car and accommodation plus substantial salary.

GENERAL TRADER with Foodstuffs background and contacts with supermarkets, wholesalers and importers and certain outlets. C.V. based c. £20,000 plus bonus.

01-439 1701

N M Rothschild Asset Management Limited

We shall shortly be making three appointments for men or women aged 25-28 in the expanding Investment Division of Rothschilds in London. The initial positions are described below, but those selected could later move to other parts of the operation. Our pension fund business has grown rapidly in recent years; we manage a number of investment and unit trusts; we provide government bodies and corporate clients with international currency advice; specialist departments are active in property and commodities. We supervise some of the largest private portfolios in the country. There is regular travel and interchange of views with the affiliated Rothschild investment banks in Europe, the United States and South-East Asia. We can also promise you a friendly atmosphere and an increase in your workload until you are fully stretched. The remuneration package will be highly competitive.

Commodity Specialist

A member of a small specialist team managing on behalf of clients long-term funds invested in commodities and commodity related securities. The work will initially involve research and recommendations for investment in the shares of plantation and other soft commodity related companies. Candidates must have had at least two years' experience in investment advisory work or portfolio management and have a good grounding in one or more soft commodities.

Investment Manager

A member of our pension fund department managing, on behalf of trustees, substantial long term funds invested primarily in UK securities. The work will combine assistance in day-to-day portfolio management with a specific research role. Candidates must have had at least two years' experience in investment advisory work or portfolio management and have a good knowledge of several sectors of the UK market.

Currency Economist

A member of a compact group advising central banks on reserve management and multi-national companies on their currency exposure. The work will initially involve collating and analysing economic data relevant to exchange rate movements. Candidates must have had at least two years' experience, preferably in the Treasury Department of an international corporation, in the economic currency forecasting department of a bank, or in financial journalism.

Apply, giving curriculum vitae and present salary, to:

The Staff Director,
N M Rothschild & Sons Limited,
New Court, St. Swithin's Lane, London, EC4P 4DU.



Professional Management Accountants

NORTH-EAST/SALARY NEGOTIABLE

We are a world-wide group with a take-over in excess of £80 million and an enviable profit record. Two excellent opportunities have been created in this dynamic engineering company for first-class Accountants to mix the theoretical with the practical in developing and implementing effective management and financial accounting systems and techniques.

PLANT CONTROLLER

Reporting to the Director and General Manager of a factory employing about 2000 people and producing truck-mounted cranes, you will be responsible for the full range of costing and accounting functions appropriate to the control of an autonomous profit centre. Through the excellence of your approach to management accounting you will establish the function as an indispensable part of the management scene.

MANAGEMENT ACCOUNTANT

Operating on a world-wide group basis, you will advise on and co-ordinate the preparation of annual budgets and easily assimilated reporting packages. You will be involved in the development of improved management information systems and future inflation accounting, as well as profit planning techniques. You should be able to demonstrate success in establishing management accounting as a tool which facilitates decision making and stimulates action.

Apply in writing stating how you meet our needs to:

Directors
Coles Cranes Limited
Crown Works Sunderland SR4 6TT.

The location is easily accessible from Durham and Newcastle and is close to National Parks and the attractive Northumberland coastline.

In addition to the competitive salary, an attractive range of fringe benefits is offered including low cost mortgage facilities.

Please write enclosing a full Curriculum Vitae to Mr. R. F. Binham, Personnel Department, Morgan Guaranty Trust Company of New York, 63 Lombard Street, P.O. Box 151, London EC3F 5BH.

Morgan Guaranty
Trust Company of New York

Recently Qualified Accountant Computer Audit

c. £6,500

Morgan Guaranty, one of the world's leading international banks is seeking a recently qualified accountant.

The Bank is undertaking a major development of systems covering aspects of its business and procedures. The successful candidate will join the project team covering the incorporation into the systems of recording and accounting controls. This will involve close liaison with both E.D.P. and senior management.

Applicants will probably have trained with a leading professional practice and have a knowledge of sophisticated accounting systems and computerised procedures.

In addition to the competitive salary, an attractive range of fringe benefits is offered including low cost mortgage facilities.

Please write enclosing a full Curriculum Vitae to Mr. R. F. Binham, Personnel Department, Morgan Guaranty Trust Company of New York, 63 Lombard Street, P.O. Box 151, London EC3F 5BH.

Treasurer's Department

DEPUTY COUNTY TREASURER

Salary: £8,394 + £195(2) + £192 - £8,976

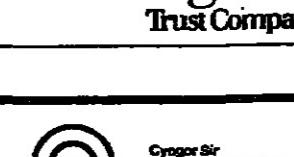
Applicants must be qualified persons with professional and managerial experience in financial administration.

Application forms and further details are available on receipt of a stamped addressed envelope, from:

The Director of Personnel & Management Services,
County Hall, Carmarthen.

Closing date: 24th October, 1977.

CANVASSING DIRECTLY OR INDIRECTLY WILL DISQUALIFY



Applications are invited for the following post:

LAING & CRUICKSHANK

Incorporating Powell, Popham & Dawes

INVESTMENT ANALYST

required, preferably with City experience in the chemicals or textiles sector to work in these areas with established personnel.

Salary will be negotiable, according to experience.

Please apply (including c.v.) to S. de L. Walters,

Laing & Cruickshank, Stock Exchange, London

EC2N 1HA.

BECSEA

Belgian Engineers
and Constructors s.a.

société spécialisée dans la construction "clé-en-main"
d'ensembles industriels à l'étranger cherche un

chef de projet senior

capable d'assumer toutes les responsabilités d'élaboration et de coordination des opérations techniques, commerciales et financières liées au développement d'un projet depuis sa phase promotionnelle jusqu'à sa négociation finale.

PROFIL:

- formation technique de niveau supérieur; 35 à 45 ans;
- plusieurs années d'expérience dans la préparation et la gestion de grands projets industriels; connaissance pratique de l'anglais indispensable; la pratique de toute autre langue constitue un avantage; prêt à faire de fréquentes missions à l'étranger.

LA SOCIETE OFFRE:

- appontements en fonction du niveau de qualification;
- avantages extra-légaux; esprit d'équipe.

Veuillez adresser votre curriculum vitae détaillé à BECSA,
Service du Personnel, square Frère Orban 7, B-1040 Bruxelles,
Belgique. Tél.: 02/230.00.10. Les candidatures sont traitées
confidentiellement.

Business Analyst

London - West End

Our clients are a forward looking, UK owned, international manufacturing group (T/O £1000m). Reporting directly to the Head of the Business Opportunities Department the successful candidate will be given considerable autonomy and will therefore need to be largely self-motivated. The duties include the preparation of detailed reports on specific business areas, their profitability and trends and the identification of growth sectors of high profit and acquisition possibilities within them. Applicants, male/female, aged 27-32 should have a minimum of two years experience in business/investment research, including visiting companies and preferably have a relevant degree. REF: 426/FT
Apply to R.P. CARPENTER FCA, FCMA, ACIS, 2-4 King Street,
St. James's, London SW1Y 6QL. Tel: 01-930 9982

Phillips & Carpenter

Selection Consultants

As a result of a major restructuring programme
WOELLWARTH & CO., LTD.

International Money Brokers

wish to engage personnel on their foreign exchange and currency deposit sections. Experience in Deutschemark and Swiss Franc exchange and in Dollar and Continental deposit markets would be particularly useful.

Write in strictest confidence to:

The Managing Director, Woellwath & Co. Ltd.,
Friars House, New Broad Street, E.C.2.

OLYMPIC HOLIDAYS
require a
Chief Accountant
c.£6000

In line with the planned expansion of our management services division we now require an experienced Chief Accountant to be responsible to the Financial Director for all aspects of financial accountancy and management reporting for Olympic Holidays and associate companies. Based at our London accounting centre, the person required will not only be able to demonstrate good commercial experience, but will have the personality and enthusiasm to guide and control staff through an exciting period of growth when we are seeking to develop our computer operations. The position will command a salary in the region of £6000 p.a. negotiable according to experience, plus certain fringe benefits which will include Travel concessions.

Apply in writing, giving full C.V. to:
Mr. W. Dyer,
Financial Director,
Olympic Holidays Ltd.,
24 Queensway,
London W2 3RX.

ACCOUNTANT FOR STOCKBROKER

A medium sized firm seeks a qualified accountant to fill the position of financial controller and assistant to the Finance Director of a growing Stock Exchange business. The successful candidate will have had some years of experience either in a practice, preferably in the City, or working in a financial group. Experience with Stock Exchange accounting would, of course, be advantageous.

The post will involve being responsible, with an existing team, for the production of management accounts, returns to the Stock Exchange and to the Exchange Accountants and for a major part of the firm's Corporate work.

Salary depending on age and experience but will fully recognise the importance of the post to be filled.

Write Box A.6099, Financial Times, 10, Cannon Street, EC4P 4BY.

LEADING FINANCIAL CONCERN
requires

PORTFOLIO INVESTMENT ANALYST
for work on U.S. Stock and Bond portfolios.

Preferably an Economics Graduate with approximately 3 years' experience.

Good salary and working conditions in City-based office.

Please write Box A.6097, Financial Times,
10, Cannon Street, EC4P 4RY

WILLIAM PRESS GROUP PENSION FUND INVESTMENT MANAGER

This is a new appointment at the London Head Office of the William Press Group.

The function is to manage the rapidly growing pension funds of the Group. Candidates should ideally have several years' experience in the investment field, preferably involving pension fund, and a broad knowledge is required rather than specialisation in one particular aspect.

The Investment Manager will be ultimately responsible to the Trustees for the initiation and subsequent execution of investment policy and for building up the research capabilities of the department.

Remuneration will be within the range £7,500 to £8,000 per annum plus annual bonus and pension scheme. Some travel will be required and a Company car will be provided.

Please write, in confidence, to Mr. R. A. Davidson at William Press & Son, Ltd., 28 Essex Street, London WC2R 3AU, giving a résumé of your career to date.

Major Clearing Bank SENIOR FINANCIAL ACCOUNTANT

London (City)/£9,500-£10,000/Car

A Chartered Accountant, male or female, is required to join a rapidly expanding central financial department. The successful applicant will be responsible for general financial accounting (including group accounts) and other related duties; you will report to senior management.

Applicants aged 37-42, should preferably have experience in the central financial functions of a major industrial or commercial company, although professional experience as a senior manager in a large firm would be considered.

Initial remuneration in the range £9,500-£10,000, depending on experience, with attractive fringe benefits including pension scheme. Please apply, giving all relevant details, to Box No. A.6902.

Financial Times, 10, Cannon Street, EC4P 4BY

required for specialist division of large employment agency. Banking experience plus fair and enthusiastic essential. Based in the City, the position commands a salary of £5,000-£6,000.

Male, female. Age immaterial.

BSB Banking Appointments

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The Marketing Scene

Dorland wins an Shield

BY MICHAEL THOMPSON-NOEL

ADVERTISING'S 100,000-film Green account—it has less from Wasey id—tops of the spectacular run which this year could s into the top ten

way from Wasey's commitment of Tom man who built Argos Discount chief executive director. He that he wanted new advertising new promotional

doubt in the tions caused by Tesco business very good news. On a MEALs, Dorlands was at-growing agency months of this t billings by

ive Jack Rubins that the overall for 1977 is ex- at around 60-70 a film... nearly two years ago.

purt started last acquisition of around £2m, in- the postal re- Embassy King, the latter re- Dorlands fold- seen Shield, the new maintained the acquisition of Sunbelt. New trials, Embassy with Crisps.

RCH, describing largest market in Europe, has long Kong, win- ure contract to nes for the channels. To do if tough, U.S. Australian com- vice will operate ary 1 and will measurement in the UK for ices.

IDS is making a £40m, gray and it with a big TV for tests by 400 top international research companies.

FINANCIAL TIMES SURVEY ADVERTISING & MARKETING OCTOBER 20 1977

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WAVE TEST TOWNS

An agency view of the Fleet St. jungle

EDITED BY MICHAEL THOMPSON-NOEL



Battle of the tabloids: newspapers do not only take readers from their nearest competitors, says DPBS

THE FORTUNES of the national press naturally fluctuate according to the mood of the market, and calculations of most ad men are that the decline of the Daily Express and marketing departments, for is expected to continue for a by any set of criteria Britain's while, but may halt in 1978, national dailies and Sundays perhaps at about 200,000-300,000 copies above the Daily Mail: quality dailies are expected to remain fairly stable; any increase in total circulation of Sunday papers must come from new publications, such as those of the major TV companies, and paper seems a thing of the past when most advertisers are

• **BRANDSWITCHING:** newspapers pucker their brows in even more readers since 1970 than bearing up? Davidson Pearce total losses of the Mirror and Express together.

• **RATES AND COSTS:** among the thorough survey of the top 50 dailies, only the Sun and the Guardian have outstripped the

Retail Price Index in real increases since 1970. Since 1970, failing readership, costs per 1,000 adults per single column centimetre increased by 15 per cent. for populars and 79 to 195 per cent. for

• **THE TIMES:** for qualities against an RPI increase of 142 per cent. Costs per 1,000 adults are likely to have risen by 15 per cent. (because of fewer readers). Next year, says DPBS, both rate increases and costs may show

• **EXPRESS:** The Sun has gained

more readers since 1970 than bearing up? Davidson Pearce total losses of the Mirror and Express together.

• **REVENUE FROM ADVERTISING:** the study, National Newspapers and Advertising in the 1970s, examining trends in circulation, readership, rate cards and cover price changes over the period 1970-76 between 67 and 123 per cent. in an attempt to decipher what ever evidence there might be concerning the period between now and the end of next year.

Remembering that the survey period was 1970-76, the following are among the agency's main conclusions:

• **Cover-price increases will not be themselves dent a healthy circulation growth, for among news- paper buyers, habit and product preference are much more im- portant than price.**

• **Circulation predictions:** the Daily Mirror and Sun are level-

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Thursday September 29 1977

An array of subsidies

THE INDUSTRY ACT of 1973 try Act has been used for channeling further finance to the shipbuilding industry, including the recently established intervention fund to help U.K. yards compete more effectively (that is, at lower prices) for new orders. What is, at lower prices? What is, at lower prices? What is, at lower prices?

Judged by the number of applications and the number of projects approved, several of these schemes (which are administered by the Department of Industry) appear to have been successful. But it is hardly surprising that industrialists, if offered cheap money without strings, should find a way of using it to the Department's satisfaction. To establish with any degree of certainty that "the company would not have undertaken the project on the basis proposed in the absence of Government assistance" (one of the criteria laid down in the selective investment scheme), is extremely difficult: there may be a natural inclination on the part of those administering the scheme to see as many projects brought to fruition as possible. Some companies which have received assistance have ample cash resources of their own. The low level of capital spending at the present time cannot be attributed to the shortage or high cost of finance.

Tabulation

Advocates of selective intervention may feel satisfied that the Government, in a number of different guises, has now become an established source of subsidised finance which industry has learned to make good use of. But one is bound to ask what concrete benefits to the economy have resulted from all this activity. Perhaps after five years' experience it is time for a full-scale review of what the Act has achieved, rather than the straightforward tabulation of assistance schemes which is contained in the annual report.

The biggest single category of assistance is still the relatively unselective system of Regional Development Grants, designed to encourage industrial investment in areas of high unemployment. But the importance of the selective instruments of the Industry Act, under Section 7 (for assisted areas) and Section 8 (for any part of the country), has been growing. Under Section 8, for example, the present Government has introduced an accelerated projects scheme, designed to bring forward investment projects which would otherwise have been deferred, and a selective investment scheme with similar objectives.

On top of these there have been no fewer than eleven sectoral schemes providing aid to such industries as wool textiles, foundries, paper and electronic components. Finally, the industry has learned to make good use of the so-called industrial strategy. If the Government wants a dynamic and competitive private sector, subsidies from the taxpayer are not the way to achieve it.

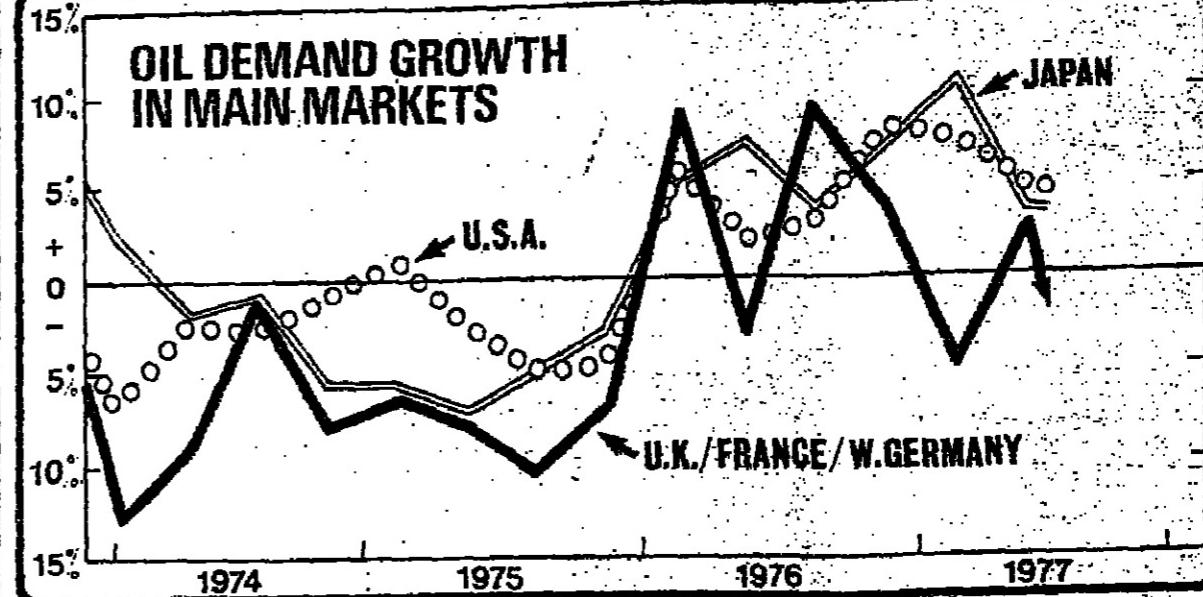
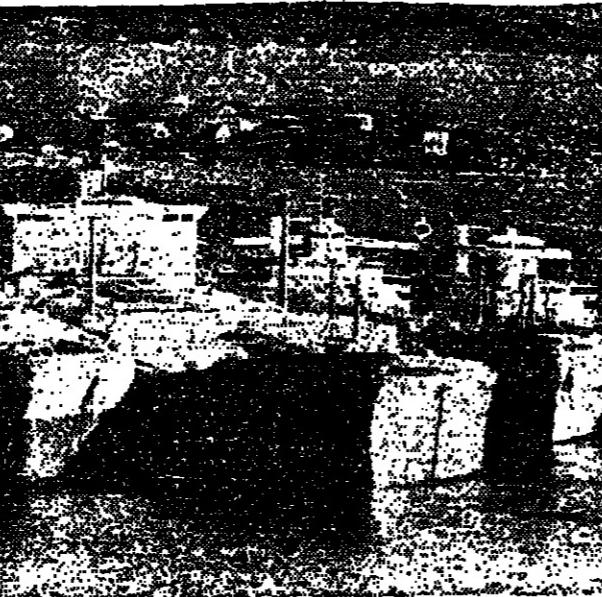
Sharing out the textile market

WHEN NEGOTIATIONS on a renewal of the multibre agreement (MFA) broke down in July, it seemed that there was enough common ground between developing and industrialised states to prevent the trade war that both sides feared. The MFA expires at the end of the year and without new arrangements to control the world's textile trade, the prospect was of industrialised states imposing unilateral curbs to have their own textile industries from a flood of competitive Asian and Latin American goods. The compromise formula hit on was that the MFA would be renewed on the basis of participating nations signing a protocol that included a clause permitting importing nations to take protective measures in the event of severe disruption.

Behind the Council of Ministers' decision—which is not a totally new one and has yet to be worked out in detail—is a serious consideration. This EEC members and Hong Kong. It was opposed by India and textile trade from developing nations where there is the greatest need for labour intensive industries to mop up cost exports. Indeed only last month Britain slapped restrictions on certain textile imports from India, Egypt and Singapore following a surge in their shipments in the first half of the year.

Since the compromise in July there has been a dramatic turnaround in the attitudes of developing countries. The hurried visit of Sir Murray MacLehose, Governor of Hong Kong, to London and Brussels to express the colony's indignation at what it regards as unfair treatment by the EEC is one sign of it. Sir Murray's protest was prompted by the decision of the Council of Ministers last week to empower the commission to secure cut backs in the quotas granted to Hong Kong, Taiwan and South Korea when negotiating bilateral accords under the MFA.

Larger quotas would instead be granted to developing European textile industry nations such as India and Brazil. Pended on a growth rate which in the eyes of Hong Kong this contains the unemployment means that the EEC has not problem.



Financial Times Thursday September 29 1977

Sources: Wood Mackenzie

From oil glut to drought

BY RAY DAFTER, Energy Correspondent

ENERGY MINISTERS of the main oil consuming countries may be forgiven next week if they feel they are acting King Lear against a backdrop more suited to a West End musical. Meeting under the umbrellas of the International Energy Agency in Paris, they will try to inject more urgency into schemes for conserving fuel and developing alternative forms of energy. They will emphasise the impending energy crisis which, without remedial action, could appear in the 1980s. But all this will happen against a background of a current oil glut.

Oil companies prefer to describe the market as slack. Glut, a word favoured by headline writers, is too emotional, they say. However, there is every sign that oil producers and traders have misread the economic signs. That happened in 1974 (partly an over-reaction to the previous year's oil crisis) and, in a lesser extent, in 1975. It has happened again.

Record stock levels

Production has outstripped demand to a point that oil stocks in certain areas, particularly the U.S., have reached record levels.

A recent report from the American Petroleum Institute indicated that crude stocks in the week ending August 26 stood at 342.2 million barrels—more than 18 per cent higher than at the same time last year.

The industry would normally hope to enter October with high stocks in readiness for higher winter demand. It is becoming widely accepted in Europe, for instance, that a 90-day stock level at the beginning of the third quarter should provide a safe buffer in case of an early cold snap.

But this year stocks have been building up much sooner than oil companies would have wished. With free world consumption running at about 50m barrels daily, just two days' worth of extra stocks can unnecessarily tie up £750m of oil industry capital each day.

It will be some time before the true extent of this summer's over-stocking can be calculated. Oil company executives in London believe that the situation is not as serious as in 1974 when stocks were at "tank top" levels. Oil was then being kept in tankers because all normal storage facilities were full.

Even so, some tanker captains have been ordered to steam slowly and take diversionary courses en route from the Middle East to Western consumers. "If they are not sailing in circles, they are at least going in semi-circles," an executive of one of the oil majors said this week.

There are other signs of the weak market. At the producer end, Kuwait is offering a 10 cents a barrel discount on its heavy crude oil, backed by an extension of credit to 90 days in a bid to revive its depressed output. The discount is going to customers who agree to meet their contracted lifting volumes in the second half of this year. Unofficial reports suggest that Iran and Iraq are also offering discounts and extended credit.

Further down the distribution chain, refiners are still operating their plants at little more than two-thirds of capacity in many cases. Some European companies are considering closing some of their older refineries, encouraged by the European Communities Commission. Veba-Oel, and Deutsche BP are among those that have shut down distillation columns in West Germany. Exxon's German affiliate is expected to follow suit.

Independent refiners in Europe and the Caribbean which supply the market with batches of products at spot prices have also had a dismal summer. According to Petroleum Intelligence Weekly these refiners traded at a loss in the third quarter with product prices failing to keep pace with mid-year crude oil price increases imposed by Saudi Arabia and the United Arab Emirates.

But this year stocks have been building up much sooner than oil companies would have wished. With free world consumption running at about 50m barrels daily, just two days' worth of extra stocks can unnecessarily tie up £750m of oil industry capital each day.

As a result, premium petrol OPEC oil production rose 5.3 per cent in the January-July period to an average of 30.5m barrels a day. In the event, this increase outpaced the rate of economic recovery within OECD countries.

This leads to the second reason for the glut: Oil companies had over-committed themselves on two fronts. They

had anticipated (rightly) that the two-tier pricing system would fail and that there would be some upward adjustment in July. This happened when Saudi Arabia and the United Arab Emirates increased prices by a further 5 per cent on the understanding that the other members of OPEC abandoned their proposed mid-year rise.

Clearly oil companies had maintained their high liftings in the first six months of this year partly in order to take advantage of the Saudi-inspired honeymoon period.

More fundamentally, however, they had expected (or was it hoped?) that the economic

revival at the end of 1976 and the beginning of this year would be maintained. It has not. The latest OECD Economic Outlook report makes the point that expansion in the majority of member countries remained "hesitant" and that output

should rise by little more than 4 per cent over the 12 months to mid-1978. Hence the call this week from Dr. Johannes Witteveen, managing director of the International Monetary Fund, for a decisive correction in the growth of the world economy.

Much will rest in the hands of Saudi Arabia, as Mr. Anthony Wedgwood Benn, the Energy Secretary, points out in the latest issue of the National Coal Board's Coal and Energy Quarterly. By 1978, he writes, Saudi Arabia will have the opportunity to vary oil production between 9m and 12m barrels a day. A variation of 2m barrels a day, the equivalent of at least two North Sea fields, could have a major impact on oil prices. It is implied, but not stated, that it would also have a dramatic impact on supplies as well.

Saudi Arabia has flashed two warning signals this month.

Sheikh Ahmed Zaki Yamani, the Saudi oil minister, is reported to have told Japanese politicians that Saudi Arabia might peg oil production at around 8.5m b/d in a bid to obtain a Middle East settlement. And a few days ago, Mr. Ibrahim Bakr, Saudi ambassador to Tehran, said that

Iran and Kuwait experienced a slight fall in output. Altogether,

Two-tier pricing

There are three reasons for the over-supply of oil. The first can be traced to the curious two-tier pricing structure adopted by members of the Organisation of Petroleum Exporting Countries in January. Saudi Arabia, the main supplier of crude, increased its production in support of its policy to enforce price moderation. Shipping problems then prevented Saudi Arabia from raising output to the maximum; nevertheless in the period January to July its production rose at an average of 9.4m barrels a day, 13.6 per cent up on the corresponding period of the previous year. Not to be outmanoeuvred, the majority of OPEC members which favoured the higher 10 per cent price rise in January subtly threatened to withdraw if contracted liftings were not maintained.

Consequently

South American, African and some of Alaska is beginning to have a significant bearing on world supplies. Each area is beginning to meet the growth requirements which in previous years would have been by OPEC members.

Of the major producers only Iran and Kuwait experienced a slight fall in output. Altogether,

Paradoxically the International Fund to stimulate world energy with long lead times must be developed now. It is to avoid a painful and in some cases, capable of the ways at some point in the 1980s. It could be the higher we rise, the

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MEN AND MATTERS

Kafka's turn in Washington?

Although Johannes Witteveen's tenure of the managing directorship of the IMF does not formally finish until the end of August next year, the latest word from the IMF-World Bank annual meeting in Washington is that ideally he would like to stand down early in the summer.

A decision on his successor is not however expected for another six months and, in the meantime, speculation and kite-flying continues at the conference itself.

As yet there are no clear signs of a determined effort by the less developed countries to forward their own candidate for a post which hitherto has always been held by a European. But one of the more intriguing names put forward in this connection is that of a Czech-born Brazilian called Franska—Alexandre, not Franz.

The idea of a Kafka running around Scotland—although he is not invited foreign tourists to fall paralytic in the heather.

The fine-cut version was shown to the co-sponsors a few days ago and a premiere is scheduled for late November. One communist is finding a narrator with a Scots accent that is not so Scots that he will be unintelligible in places like Wisconsin, but he is already in executive director of the Fund.

It is all good clean fun at the moment but there does seem to be agreement on one point, which is that the next managing director had better be a good economist in his own right. This is considered much more important than merely having served as a national finance minister.

The EEC has all the negotiating cards in its hands in working our bilateral accords. It has the difficult task of finding a compromise that will satisfy the diverse lobbies of the developing world. This is all the more difficult since a phasing out of the less efficient sectors of the European textile industry.

The IMF headquarters has a greater concentration of economists than anywhere else on earth and, so the argument goes,

Highland fling

A fairly bibulous view of life in Scotland is shortly to be projected in nearly 30 countries around the world. The British Tourist Authority is co-sponsoring a film called "Water of Life"; since the other half of the hill for this half-hour production is being paid by Hoyts, you can guess what the title refers to. The film's producer, Michael Weigall, describes it as "a kind of whisky travelogue around Scotland"—although the BTA assure me that they are not inviting foreign tourists to fall paralytic in the heather.

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In the course of cutting the Overseas Inc. and conduct Weigall claims to have been negotiations for Amex to make an important musical disc launch a \$400m mining project.

When Pierre Gousseland and Enrica Tordjman met at the Park Lane conference this week, they could look back with satisfaction to their first encounter, 14 years ago, in a small Paris office. Gousseland was then manager of the embryonic European business of Amex, the American-based mining corporation: Enrica Tordjman was starting her first job as a page girl, after attending the Sorbonne and studying English literature at Oxford. On Saturday, Gousseland takes over as the chairman and chief executive of Amex (sales last year, \$1.1bn). Mrs. Tordjman, who is newly appointed vice-president in charge of the corporation's Nickel Ventures and producer-director Weigall.

In the course of cutting the Overseas Inc. and conduct Weigall claims to have been negotiations for Amex to make an important musical disc launch a \$400m mining project.

Although Gousseland lives in Connecticut these days, close by the Amex headquarters in Greenwich, his style and his accent are still noticeably French. He

100 Finance Ministers can be wrong

economists and director of the IMF feels a real aim is to expand demand take much time. But the underlying principle is just to boost demand to make up any shortfall between actual and desired levels of output and employment.

The underlying theory, derived after his death from one strand in Keynes's writings, is straightforward. If a country which has high unemployment figures has had an output growth of say 2 per cent, then this excess unemployment is treated as a sign that

Practical men, themselves to be from any intellect, are usually some defunct men in authority, in the air, are frenzied from some babbler of a few part of con-

people for whom to world "refla-

IMP—or more managing Johannes Witteveen the argument those composing a particular multitude.

What does "reflation" mean, in actual as distinct from ideal usage? It comprises two sorts of action:

- (a) Increasing government spending without raising revenue; and
- (b) Reducing tax revenues without cutting spending.

As politicians do not like to act on only one front, nearly all refatory programmes contain both elements. In other words they are policies for cutting taxes and increasing spending at the same time. The fact that the economic advisers who urge reflation are more interested in budgetary than in monetary aspects is but a detail.

If the fiscal stimulus is slow to raise output and employment, or if increased Government borrowing puts pressure on interest rates, the money supply is also raised in sympathy, and so do and might o do and might p shop. Thirdly, the managing seriously than in 1971-72. The employ the managing seriously than in 1971-72. The

I should know, because I was a convinced advocate of demand management, which I expounded in *The Treasury Under The Tories*, published in 1964 (when inflation was 3 or 4 per cent), and expounded and criticised in *Steering the Economy*, published in 1971. For in the intervening period of the late 1960s I lost all belief in such policies. This was partly because of experience and partly because the writings of non-mainstream economists convinced me that a boost to monetary demand could raise output and employment only so long as people did not realise what was happening—or in the terrible jargon were suffering from "money illusion."

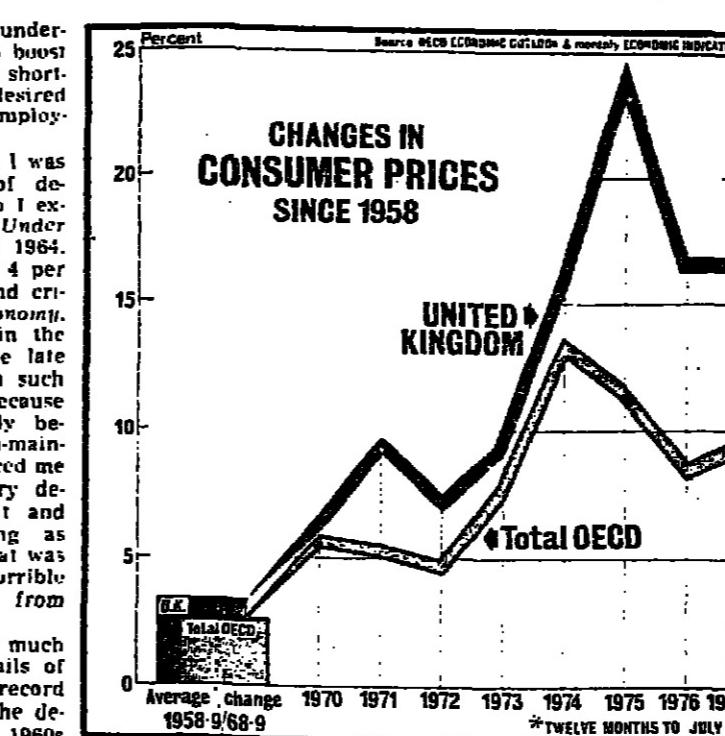
There is still room for much argument about the details of how this occurs: but the record shows very clearly that the demand booms of the late 1960s and 1970s—partly intended and partly a by-product of the disintegration of the Bretton Woods Monetary System—had their main impact in raising inflation rates to double figures. In nearly all countries, unemployment grew worse, not better.

If the underlying theory of demand management—that output and employment can be permanently raised by boosting spending—is valid, then the One can argue about how excuses of some of the following ought to be, say, 5 per cent. Therefore "demand" must be boosted to raise the growth rate by another 3 per cent.

Basically it is as simple as that. One can argue about how quickly a shortfall should be made up, or what means are very thin indeed. For should be used to do so, or instance the German Government often argues that a high proportion of tax cuts will be boost. These exercises give a saving or that regional spending are to be taken no more veneer of sophistication, authorities will fail to make full use of increased authorisations.



The IMF's Dr. Witteveen.



Average change 1970-77 *TWELVE MONTHS TO JULY
1958-9/68-9

A fashionable argument for employment aims by the kinds of global measures being discussed in Washington. Is the industrial world then doomed to take off into even higher rates of inflation than the low teens which prevailed in 1974-75 when the British then the pressures on uncompetitive home industries will soar to nearly 25 per cent, followed perhaps by the collapse of democracy, all because world leaders have now re-emerged. Not that protection will help. For if a country's radicalism of immediate post-overseas payments in war Anglo-Saxon economies balance (which is true of any country in the long run and of all countries at any one time) then protection reduces both imports and exports simultaneously and at most transfers the employment pressures from one set of industries to another.

Keynes was not quite right to attribute mistaken policies to intellectual error. There are very understandable reasons why demand management should still have appeal for governments. They are in a very genuine dilemma. For the level of unemployment consistent not with stability, but merely a stable rate of inflation, is regarded as politically intolerable. So they are inclined to listen to advisers who say that this can be reduced by boosting demand. When demand is boosted and inflation starts to accelerate priorities are altered, and policy is changed to curb inflation, irrespective of the kind of boost they seek rapid rates of inflation prompt will not merely lead to a return all sorts of Government intervention in the goods, labour and housing markets which prevents them from functioning properly, timely intervention. There is no way at all of achieving this further aggravating unemployment. One only has to look at the British Government's attempt to impose a third year accelerating inflation. But, since demand management turns out to be less alluring and the alarm bells ring much sooner, it is encouraging that merely faulty forecasting or ill-

Third, business can never adjust to unpredictable and changing rates rising and exchange rates benefit to output and employment may well be brief and weaker than ever before. The siren songs will be less alluring and the alarm bells ring much sooner. It is encouraging that there is no way at all of achieving

Siren songs

Now, however, people in the financial and even the labour

markets see through the trick argument that the scale of the changes in inflation rates, and correspondingly increased would quite investment and other benefits be unavoidable. The real maladjustments answer to Messrs. Healey, Van Lennep of the OECD and the just to unpredictable and changing rates rising and exchange rates benefit to output and employment may well be brief and weaker than ever before. The siren songs will be less alluring and the alarm bells ring much sooner. It is encouraging that merely faulty forecasting or ill-

This is first, because once inflation rises to sufficiently high levels, governments will always at the British Government's attempt to impose a third year accelerating inflation. But, since demand management turns out to be less alluring and the alarm bells ring much sooner, it is encouraging that there is no way at all of achieving

Letters to the Editor

S

Executive, card for the writing Industry. R. Allen's letter is perhaps the have seen which, in my view, requirement's policy—made recent restric-

ars of being in negotiations have t the only real negotiations is that roadly speaking, e whether one 00 or £100 per much someone which makes it a ge. No one car al-miner should week; compared s earning twice grossly under- with others earn- he is already absence of some ring his worth action worker or en he will push can get against to would prefer as he can get

hen, only two : term incomes aside short strictions forced income of payments first alternative ree market with whatever strength swade, cajole, or to the limit. If proposed then can fairly ask for in any more than ask an employer which he considers necessary.

Alternative is to : term incomes not be done by arid rates of these must pre-differentials even unfair and the times justifiable) ie only incomes as any chance of ability is one establish a proper ween a job and unwaranted expenses. Frank Heller.

Mr. Allen that a guidance board the guidance seeking. It should difficult to provide start with, a few ed and universal trades and together with job average earnings. Given it should be an industry lea of the proper—and this would come an essential arbitration.

Mr. Allen in attach monitors and sanctions. It ought, I feel, to an advisory in the fullness of progress towards arbiter.

ing unique in this st larger firms out comparability to the better ion negotiators. ing is a fund of isable, that is, rimation on the other thing which commitment by in sides) and a policy of "fair es structures as economic choices, and equity are es concepts. We o make up our

years, sought to establish a wages and (3) how many investors in vacuum created in their sales each category had prizeless programme by not being able to an English machine to an end user.

These affected by a prizeless machinery. The merchant acts as a "buffer" between the manufacturer and the user and many English manufacturing companies have dealt with the machine tool stockists with a great degree of success.

It would appear, however, that it is now too late for the English manufacturers who did not deal with the machine tool merchant to alter their policy as many merchants have sole distribution lines in this country of imported machines at commercially viable profit margins and would now be reluctant to revert to English manufacturers.

M. R. Schwarz,
Europa Trading Estate,
Fraser Road, Erith, Kent.

Premium bond prizes

From Mr. D. Hardwick

Sir—Your report (September 26) on the difficulties facing the Lord Sherwood Commission of Ethical Practices suggests that at least in the transition from the current volume of bribery to a more manageable situation, it may be necessary to set up an ethical practices fund. Such a fund should be financed by a contribution from major companies that have had to pay out large sums of money to cover these practices and would then be available to reimburse medium size and smaller companies faced with the dilemma described by your correspondent, Margaret Reid. The cost of the 10,000 bottles of sterile penicillin willfully opened by Customs officials who did not receive the customary bribe would then become a legitimate cost on that fund. It is unlikely that the Customs authorities in question would continue with this practice for more than twelve months, since patients and the medical profession would soon exert the appropriate pressure.

The proposed ethical practices fund could not cover bribes running into millions of pounds but sums of that kind should provide a useful incentive to large companies to agree on a code which would save the shareholders such enormous un-

Frank Heller.
84, Wood Vale, N.10.

The winning stack

From Mr. N. Wilson.

Sir.—In Mr. Richard's letter of September 24 his calculation (with which I disagree) has prompted me to make my own using standard probability formulae. Chances of a prizeless year for various bondholders last year were £50—948 in 1,000; £500 in 1,000; £1,000—£1,000; £1,000—£2,000—£5.5 in 1,000; £1,000—£5,000—2.5 in 1,000, and £8,500—1.6 in 1,000 (£5,000 and £8,500 are possible in pools).

For our own average stake of £3,928 held for 14 months the chances of a prizeless period were 1.8 in 1,000. Chances of a prizeless year fall rapidly from £5 to £2,000 holdings and much more slowly, so that a £8,500 bondholder has only a slightly smaller chance of avoiding a prizeless year than a holder of £4,000. For £4,000 held for two years the chances that both will be prizeless are about 1.5 in 100,000.

How real these chances are can only be checked if the Bond Office releases some statistics. Cannot the Bond Office tell us annually (1) how many investors there are with (a) £5-£10,000; (b) £10,000-£15,000; (c) £15,000-£20,000; (d) £20,000-£25,000; (e) £25,000-£30,000 bondholders; (2) what the total value of the prizes has encouraged merchants to sell the Crowds.

From the Managing Director, RN International Machine Tools.

Sir—I have read with considerable interest your informative survey on European machine tools (September 20) but feel that there was an important omission as the considerable value of machine tool stockists was not mentioned.

The survey refers to the success of British companies in selling imported machines and points to the long term detriment in terms of balance of payments upon the majority of machine tool merchants in this country because of the lack of co-operation by many English machine tool manufacturers with the British machine tool merchant.

Eleanor Macdonald, Director EM Courses, Founder of the Women in Management Group.

The manufacturers' indifference

GENERAL

Liberal Party Assembly con-

ference, Brighton.

Mr. Jack Lynch, Eire Prime Minister, meets Mrs. Margaret Thatcher, Opposition leader, at monitoring body for steel trading, Irish Embassy, London.

Mr. Peter Shore, Environment Secretary, and Mr. John McEwen, CBI director-general, speak at Association of Metropolitan Authorities' annual conference, Bournemouth.

M. R. Schwarz, Europa Trading Estate, Fraser Road, Erith, Kent.

Women at work

From Eleanor Macdonald.

Sir—Sue Cameron's timely article on "Women's place outside the home" (September 19) highlighted many negative points about the current status of women at work and the fact that the anti-discrimination legislation is doing very little to alter the status quo.

A mass of evidence showing discrimination against women was presented before the legislation was ever drafted. Much that was revealed then is still happening. It is, therefore, both disappointing and frustrating to learn that years later a member of the Equal Opportunities Commission talks about being moderate and not opposing Government departments or organisations. What is there to be moderate about? If there are injustices and discrimination, they should be removed. The legislation is there to accomplish just that. Why, therefore, can it not be implemented?

Women may not come forward and take opportunities as positively as they might, but people, men and women, act as they are expected to act. Women will expect to fill middle and low-level jobs and it would seem that now, in spite of the Equal Pay Act, they may well get paid less than a man for it.

If we want to use a precious resource—brains, creativity, skills—women's as well as men's, we must make it clear that women are wanted and will receive training and rewards.

Women often need transition training which is aimed at getting them out of the support role, "seen but not heard" approach, which has been drummed into them for generations. Even this effort is often frustrated by managers saying: "If women are management calibre they can go on courses with the men and show their mettle"—and then they don't send them.

One official reported in the article admitted to being slow. Is there a hope of producing results before the second millennium? If so, it might improve the quality of British management against which there are so many criticisms. Could it be that the very conservatism which makes considering women more positively such a monumental step, is a reflection of this?

Eleanor Macdonald.

Director EM Courses, Founder

of the Women in Management Group.

The manufacturers' indifference

To-day's Events

Department of Energy.

Four-day international sym-

posium of European Transport

Ministers ends, Imperial College, Paris.

Mr. William Whitelaw, deputy

Opposition leader, speaks at S.W.7.

Conservative Party Northern Area

lunch for industrialists, Newcastle

hall, E.C.2, noon.

Lord Mayor, Guildford.

Lawn Tennis Association Coun-

cil meets London.

Strikers at Lancashire bus and

truck factories of British Leyland meet.

COMPANY MEETINGS

Alisa Investment Trust, Glas-

Wagon Industrial, Birmingham,

Great Barr, Birmingham, 12.30.

Cook (William) 10.

Sheffield, Sheffield, 12. Cross-
friars Trust, S. Crosby Square,
E.C., 12.40. Fitch Lovell, Con-
naught Room, W.C., 12. Grand
Pier Weston super Mare, 12.
Trevor, Ingoldmells, St. John's
Trevor, 12. Macmillan Pharmaceuticals,
Ingoldmells, 11. Scottish
English and European Textiles,
Edinburgh, 12.30. Laurence Scott,
Norwich, 12. Tenants (Howard)
Services, Great Western Royal
Hotel, W. 11.45. Tomkins (F. H.),
Great Barr, Birmingham, 12.

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COMPANY NEWS + COMMENT

Scrip and record £4.8m. profit for Bejam

AFTER MORE than doubling from £1.26m. to £2.68m. at half-year, a period which included an abnormal boom occasioned by the drought, pre-tax profit of Bejam Group advanced from £2.64m. for 52 weeks to a record £4.8m. for the 52 weeks to July 2, 1977, and a one-for-one scrip issue is announced.

Mr. J. D. Apthorpe, chairman, reports that the company experienced extremely good trading conditions in the 52 weeks. As at July 2, 1977, the company operated 132 Freezer Food Centres and two have subsequently been opened.

Current turnover is satisfactory but is not, of course, showing the exceptional growth experienced at this time last year. New stores at Croydon, Eastbourne, Wood Green, Whistone, Crawley, Exeter and Plymouth should be trading by Christmas, he adds.

The directors have decided not to provide for deferred tax where it is unlikely to be payable within the foreseeable future.

Net earnings per 10p share are shown to be 13.8p (10.88p). The net final dividend is 1.65p for a 2.904p total (2.6p) initial.

See Lex

Beckman's best ever £1.97m.

AFTER RISING from £0.78m. to £0.88m. at half-time, pre-tax profit of converters and manufacturers A. Beckman & Advanced Fabrics Ltd., reached £1.97m. for the year ended June 30, 1977.

Stand earnings per 10p share are 10.12p, compared with 9.28p adjusted for the 1976 scrip—the net final dividend is 3.081p (3.2118p) for a total of 4.831p (4.7118p), the maximum allowed. A further one-for-12 scrip is proposed.

Comment

Beckman has been ideally placed to cope with the textile recession relying, as it does, on short-term contracts—a time when manufacturers, wholesalers and retailers are unwilling to commit themselves to any long-term contract.

Pre-tax profits are up by 17.6 per cent, while margins, assisted by low overheads—the group does none of its own dyeing and printing—have improved 1.5 points to 11.4 per cent. Stock levels have been rising, however—with stock-turn some four times against five times the previous year—while a 13 per cent increase in turnover is due entirely to price increases. Having been resilient during a recession, Beckman may have a particularly strong year to show, by comparison with other textile companies, when the next upturn comes.

The shares at 75p give a p.e. of 7.3 and a yield of 10 per cent.

HIGHLIGHTS

First-half profits at Tootal are more than £2m. higher thanks to a sharp increase in the U.K. but the company is nervous about the second-half outlook for the foreign subsidiaries. Bejam is 82 per cent higher pre-tax but this masks a second-half slowdown and current growth trends look to be less dramatic. Lex also takes a look at the gold sector with the bullion price continuing to press forward. Elsewhere, the recession in the steel sector has left first-half profits at Fosse Minsep slightly lower. At Molins the mid-term setback is even more marked but the company now appears to be over the worse. Meanwhile the downturn in the construction industry finally seems to have caught up with Aberdeen Construction and profits here are marginally lower.

Paper side hits Molins —profit cut

LOSSES IN paper and packaging machine division have led to a £1.3m. downturn in pre-tax profit. Molins is £2.8m. in the June 30, 1977, six months.

In their report for the year 1976 the directors predicted profit to be maintained at 1976 levels in the current year, subject to adverse circumstances. The forecast has now been altered, and profits substantially lower than the total taxable earnings of £1.88m. last year are expected.

The tobacco machinery division shows a 20 per cent fall in turnover, and although the low demand level in the paper machines side is continuing, a reduction in operational costs will significantly cut the rate of loss in the second half, they say.

Half year
1977 1976
Turnover £m. 10.466 12.198
Paper and packaging
Trading profit £m. 1.280 4.526
Total profit £m. 500 5.800
Interest charges £m. 1.000 1.000
Tax £m. 1.200 1.100
UK £m. 200 200
Net profit £m. 1.000 2.100
Minorities and pref. div. 100 200
Attributable Ord. Profits £m. 1.400 2.100

SAATCHI & SAATCHI

Saatchi and Saatchi Compton has announced proposals to reorganise its corporate structure under which a new holding company Saatchi and Saatchi Compton will acquire the capital of U.K. factories, are fully loaded for the rest of 1977 and well into 1978, a particularly satisfying position. Tobacco machinery turnover and trading profits in the U.K. and U.S. improved, while new company will be formed to spearhead developments in advertising-related fields.

The proposals are to be implemented by way of a scheme of arrangement, under which SSC will remain fairly static with cost reductions for the full year. Holders will be offered shares in the new holding company on a one-for-one basis. The maximum yield is 34 per cent.

Comment

Molins' disappointing interim record and the belief that the dividend is declared. Last year's total was 6.5p a share. Earnings per share are 4.7p, while last year's figure is not comparable because of an issue of 8.8m. shares in July, 1976.

The trading conditions in the half year ended were extremely difficult but there was a marked improvement in the last few weeks of the period.

The group is in a strong financial position and further acquisitions are being actively sought.

Taxable earnings include a £293,000 profit from the disposal of properties compared with £269,000, and this profit was arrived at after making an adjustment based on the property revaluation reserve.

The interim dividend is 1.3357p (1.275p) and during the period £31,405 Ordinary shares were allotted in exchange for £468,273 of 9½ per cent unsecured convertible loan stock. No further conversion rights exist. Last year's total dividend was 2.903p from record pre-tax profits of £4m.

Comment

Combined English Stores' 58 per cent profits drop, after stripping out property disposed of, attributed to the menswear division.

Mr. Harry Fenton (menswear) take a sharp knock but it could not even hold its sales in value terms. A decline in profits had been expected in the market, as retail demand has been very poor in the first half of this year, particularly in the discretionary spending areas where the company is retailing.

The latest of the stocks had not been fully anticipated, but the bullish statement regarding current trading pushed the shares 2p higher to 82p. The bulk of the company's profits come in the second half and retail volume is picking up, and even without a retaliatory package in November the outlook for Christmas is encouraging. In the light of the interim self-imposed projections for the full year will be shaved down, but the group could still make firm this year before property disposals—an increase of an eighth. Meantime the maximum yield is 34 per cent.

It is expected that the scheme documents will be posted by the end of October. Meetings of holders will take place in November.

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Aberdeen Construction is but optimistic

er £1.8m. higher profit of £1.6m. Aberdeen Group slipped 77m. in the six months to June 30, 1977. An assessment given at £909,000 profits will be £140,000. Directors say it is likely a full approximation of £5m. reported last a small reduction to the narrowing of the less element has prevailed.

Group turnover is of £20,901 (£22,732 takes £857,000 net a net profit of £140,000 previous.

The maintainer at about the 1st year is encouraged with the slightly work in hand and the tendering up total is £1.6m. last year's £51.0m. liquid position of healthy and that utilities arise. It will be used to development at Aberdeen is planned, have been taken permission for 10 acres of industry.

ment on Aberdeen road could 300,000 sq. ft. all necessary approvals obtained again in the next two years later.

Methods of financing are being considered and the extent of debt accommodation, profit margin is 10 per cent. The interim dividend will be paid with 1.8 pence per share.

A final dividend of 2.547p is proposed making a maximum permitted of 0.4172p. The last payment was 0.373p in respect of 1976-77.

After tax of £96,858 (£97,225 credit and an extraordinary credit of £30,867 (£127,754 debit), the year's attributable balance emerges at £12,017 against a deficit of £13,392.

Camellia sees improvement on all fronts

Directors of Camellia Investments expect net operating profits will exceed those of 1978 in the current year.

In an interim statement to shareholders they say that non-consolidated subsidiaries also will earn significantly higher profits and it is anticipated associated companies will achieve much improved results.

Turnover has risen sharply from the levels of 1976 they say, and should this trend continue satisfactory profits are expected in each of the company's activities.

This oriental art, fine art, stamp dealing and investment group reported profit before tax of £34,624 in the December 31, 1976 year, and the dividend was 1.815p per 100 share.

Nova (Jersey) amplification

Nova (Jersey) Knit has amplified its recent announcement that the German litigation in which it was involved had moved in the

current year.

Mr. N. C. Laube, the chairman of Nova (Jersey) Knit, said:

"The Board, now minus Mr.

Goenka, is approaching people who might become independent directors and a statement is ex-

pected soon.

All the group's produced lower first half due to margins—reflecting competition for bad weather a little worse than the value of mostly in shorts slightly higher a stage last year it'd be some im-

proved conditions that are now enjoyed.

During the period 851,405 Ordinary shares of 12.5p each were allotted fully paid in exchange for £468,273 of 9½% Unsecured Loan Stock on the exercise of conversion rights by the holders. No further conversion rights exist.

The Group is in a strong financial position and further acquisitions are being actively sought both in the United Kingdom and overseas. The Board views the future with confidence.

ing conditions were very difficult. Prices rose faster and consequently our discretionary spending was substantially reduced. Spring weather in the spring / summer also had a severe effect on our men's wear. There was however a marked improvement in the trading as in the last few weeks of the year the Directors are very optimistic that the results for the remainder of the year will reflect the improved conditions that are now enjoyed.

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The Group is in a strong financial position and further acquisitions are being actively sought both in the United Kingdom and overseas. The Board views the future with confidence.

Estimated results for the 28 weeks ended 13 August 1977 were as follows:

| | 28 weeks ended 13 August 1977 | 28 weeks ended 14 August 1976 | 52 weeks ended 29 January 1977 |
|--|-------------------------------|-------------------------------|--------------------------------|
| | £000 | £000 | £000 |
| Profit before taxation | 25951 | 25901 | 54470 |
| Estimated | 517 | 1047 | 4303 |
| Profit after taxation | 134 | 102 | 310 |
| Profit before taxation | 651 | 1149 | 4613 |
| Estimated | 341 | 607 | 2264 |
| Profit after taxation | 310 | 542 | 2349 |
| Profit on disposal of property | (15) | (15) | (11) |
| Profit on hire purchase profit reserve | 8 | 8 | 16 |
| Profit on revaluation | 303 | 259 | 548 |
| Total | 296 | 252 | 553 |
| Transferred to reserves | 14 | 290 | 1796 |

Note: the Company and its subsidiaries includes profit on the disposal of property, including easements, amounting to £295,000 (28 weeks ended 14th August, 1976 £299,000; ended 29th January, 1977 £308,000). The profit on the disposal of property is arrived at by the appropriate transfer of £30,000 from the property revaluation reserve.

COMBINED ENGLISH STOCK EXCHANGE

Tootal £8.8m. so far

company's favour in a letter to shareholders.

The letter, from company solicitor Mr. A. G. Barrett, says that "The Sherman litigation referred to in the summons of claim against the company, for resulting in the dismissal of a claim against the company for £277,000. Nevertheless, in respect of the remaining items the claimant maintains a claim of about £100,000 and £75,000 in other proceedings. The court continues to be advised by its lawyers that such remaining claims are likely to be unfounded as the claim which has already been dismissed.

In respect of the bills of exchange referred to in the 1976 accounts, the company was not only successful in the House of Lords, but also obtained judgements for a total of £100,000 (which sum includes interest and costs, but excludes interest at the rate of 10 per cent, since various items in 1976). These judgments against Balfour Beatty, Basingstoke, Gmbh are now being enforced. The proceedings in Germany are either in process or being instituted."

A final dividend of 2.547p is proposed making a maximum permitted of 0.4172p. The last payment was 0.373p in respect of 1976-77.

Interim dividend is up from 0.38p per 25p share to 0.39p and a supplementary dividend declared at last year's AGM will be paid. Last year's annual dividend was 2.488p.

Half-year

Interest charged

Profit before tax

Tax

Minority interests

Extraordinary loss

Attributable DM

See Lex

Interest charged

Profit before tax

Tax

Minority interests

Extraordinary loss

Attributable DM

See Lex

Interest charged

Profit before tax

Tax

Minority interests

Extraordinary loss

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Minority interests

Extraordinary loss

Attributable DM

See Lex

Interest charged

Profit before tax



Harmony Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

From the Statement by the Chairman, Mr. A. C. Petersen:

The year that has just passed was noteworthy for the wide fluctuations in the price of gold, the profitable spot sales of uranium, the continuing expenditure of capital to bring our milling rate up to the 7 million tons per annum target and the industrial peace that existed on the mine in common with peaceful conditions in the industry as a whole.

The customary summary of results is given and the main points of interest are the increase of 651,000 tons milled over the figure for last year and the almost equivalent increase in gold produced from 28,992 kilograms in 1975/76 to 32,351 kilograms in 1976/77. The same percentage increase in gold revenue was not achieved as the average gold price realised dropped from R3,938 per kilogram (US \$126 per oz.) in the previous year to R3,491 per kilogram (US \$125 per oz.).

The working expenditure per ton milled unfortunately continued its upward trend of the past years and the average cost per ton milled, at R17,02, was 13 per cent higher than the figure for the previous year. This continued rise is most disturbing but the company at least has the satisfaction of knowing that its percentage increase in working costs per ton milled is considerably lower than the industry average.

In my statement last year I mentioned that the mine must be considered as being two primary producers of gold and uranium, and the accompanying presentation should be altered to show the total costs against total revenue and a combined profit figure. This has not been done in the accounts presented with this year's report and therefore the gold and uranium profits as set out in the Financial Statements are misleading. Gold has borne the total costs of mining and milling plus its own extraction costs whilst uranium has been shown as bearing only the extraction costs after the slime has been delivered to the uranium plant. The working profit from gold of R8,454,000 and from uranium acid and pyrite of R23,968,000 should therefore be ignored and the total working profit of R32,422,000 considered as the correct working profit for all products combined. The presentation of the results in future will not separate working profits in this way but will combine the total figure and this practice will be introduced in the report for the quarter ending 30th September 1977.

Until the present time, ore reserve calculations have been based on the value of only the gold content of the orebodies being exploited. In future, ore reserve calculations will take account of the value of both the gold and uranium content of the various orebodies. Three spot sales were executed during the year contributing a substantial proportion towards the total overall profit of R324 million from all operations during the year. As a result of these spot sales the stockpile has now been significantly depleted and it will therefore not be possible to make further sales of the same magnitude in the coming financial year.

Previous estimates reveal that the erection of the proposed new uranium plant will probably involve a capital expenditure of approximately R30 million in escalated terms. There would appear to be a reasonable prospect of obtaining consumer finance to fund this capital expenditure. Negotiations with various uranium consumers likely to be interested in a consumer finance/sales agreement of the nature contemplated have already commenced.

The mining industry has been criticised both in South African and overseas publications for the employment conditions of its Black workers. The information contained in these articles is often incorrect and photographs are produced of various phases of life or a mine which are completely out of date and sometimes even show portions of housing facilities on mines that have already closed down. In common with other modern mines in South Africa, Harmony Gold Mining Company Limited has improved the working and living conditions of its Black employees considerably over the past ten years. The modern Black mineworker is still in the main a migrant labourer. He alternates between periods of small farming activities in his home country and cash earning periods on the mines.

Due to the substantially increased wage levels during the past 5 years (the average wage of Harmony has increased five-fold) the worker can obtain his current earnings much more rapidly than he did before. The period spent on the mine therefore tends to be shorter than it was some years ago, but the worker has maintained the tradition of returning to the mine for a number of periods before finally settling down to permanent farming or other activity at his home.

The mine is pursuing a policy of continually training and thereby raising the skills of Black workers. The more highly skilled men obviously earn far more than the less skilled ones and the mine's policy is to encourage the former to become permanent workers on the mine. During the last few years the percentage of South Africans (including Transkeians) working on the mine has risen from 25.2 per cent to 45.7 per cent. The difficulties of providing full family housing for these men are not as great as in the case of foreign workers and the company has a number of schemes whereby it can provide married housing on the mine or assist the employee to build his own home in the area from which he comes. Where the distance involved is too great for daily commuting, the intention of the mine would be to provide single accommodation for the worker during the week, but to make arrangements for him to travel home for the weekends. No matter how large a mine is, it must always be remembered that it has a finite life and home ownership in the immediate vicinity of the mine might not be in the long term interests of the employee.

Exploration to the west of the company's lease area was completed during the year. The results obtained do not justify mining or the further exploration of the area at this stage. The directors in their report give the full details. Some preliminary exploration within the Harmony lease area between the Driefontein and Lava faults will be done by drilling at least two holes from existing underground workings.

Capital expenditure for the year at R19 million was less than the R23 million forecast in my last statement, but it is hoped that the backlog in capital work will be made up during the coming year. Consequently it is now estimated that, excluding the new uranium plant at Merriespruit, capital expenditure of approximately R15.5 million will be incurred in 1977/78. The wide fluctuations in the price received for gold during the past year when, for example in one month the miners received only R2,841 per kilogram (US \$102 per oz.) had a most unsettling effect on the industry as a whole and caused the postponement of many of the capital works designed to expand or improve production on mines.

The proposed amendments to the Articles of Agreement of the International Monetary Fund, will by eliminating the statutory monetary functions of gold, have the effect of remobilising official holdings by allowing central banks to buy and sell gold freely. If the existing agreement between the International Monetary Fund and the Group of Ten countries not to increase their net aggregate gold holdings is not renewed in January 1978, the gold market should enter a new and buoyant phase shortly thereafter.

Gold will therefore become a proportionately more important component of world reserves and it is possible that it will once again be used as a medium for settling international transactions. This should stimulate world interest in gold and the extreme fluctuations of the past should not recur. In my opinion, fluctuations will be relatively minor and a steady overall increase in the price of the metal can be anticipated.

The outlook for uranium has been complicated by a number of developments which occurred during the year. The anti-nuclear lobby, mainly comprised of environmentalists, is still very active and has probably been partly responsible for the action taken by certain governments in Africa to further installation of such facilities for the time being. The allegation that nuclear power generation may present an opportunity for unauthorised persons to gain access to materials from which nuclear weapons could be fabricated has undoubtedly assisted the anti-nuclear groups in their activities.

In April 1977, the President of the United States of America announced a new energy policy. This policy has received wide publicity and I do not propose to discuss it in any detail. While it is considered, in some quarters, to be hazy regarding nuclear power, it does not appear to be inflexible. It does indicate a fairly firm resolve to develop a nuclear fuel cycle which will reduce or eliminate the risk of proliferation of nuclear weapons. If this can be achieved (and it will almost certainly entail abandonment, in whole or in part, of the plutonium cycle in the short term), it should partly appease the anti-nuclear groups and substantially improve the demand for uranium. Finally any overview however brief, would not be complete without reference to the dilemma confronting the Australian Government. For some time the potential impact on the market of substantial additional production capacity in

BIDS AND DEALS

Spink & Son in talks

International coin and fine-art dealers, Spink & Son, revealed a further 17 per cent, are held by nominees of Lazarus who are also the group's financial advisors. Fellow medalist group, J. R. Hayward, owns about 5 per cent.

CMT EXPLAINS TYZACK STAKE

Hopes of "reciprocal trading agreements" lay behind the purchase by Central Manufacturing & Trading of a near 25 per cent share of fellow Midlands engineers, Tyzack Sons & Turner, according to a spokesman for CMT yesterday.

"We see a spin off for our steel stockholding division and our industrial services side," Tyzack said. "Confident that it had not yet made any approaches to the Tyzack Board, CMT said that it would be seeking to hold talks with Tyzack in the near future.

"We see Tyzack as a classic recovery situation," CMT said.

Meanwhile, the chairman of Tyzack, Mr. T. H. Reed, expressed surprise that he had not yet heard from CMT, but said his board would keep shareholders informed if any approaches were made. He also said that he believed that Miss Tyzack, who holds just over 13 per cent of the company's shares, had not sold her stake. "But there are several other major shareholders, you know, including Mechanics Assurance, Throgmorton Nominees and Imperial Tobacco, who all held between 7 and 8 per cent."

The Spink family control just over 50 per cent of the shares, which are a substantial exporter in the year to June 1976 should ensure high revenue for cents. Mining low grade ore for gold, Saint Piran had, after tax, financial year, were boosted by 5% in the year to last March uranium sales. Demand for spot of Elm, showing a strong recovery from the previous year allow it to dispose of uncommitted current output and run down part of its stockpile. But this year the situation is not so favourable.

The tonnage milled will be higher but the grade, lower than last year. Uranium sales will be considerably lower than in the previous year. The movement, which stood out sharply in a relatively subdued month.

This is stated in the annual review of the Harmony chairman, Mr. A. C. Petersen, but he makes no prediction on two conditions:

The first is that the bullion price should remain above \$145 an ounce yesterday it closed at \$146.675—and second that provide funds for the expansion of the sale is linked to the able limits."

Details of the plan are to raise a final dividend of around 25 cents (14.6p) for the year to the end of June. An interim of 25 cents (14.6p) was paid yesterday to a year's high of 84p.

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The first is that the bullion price should remain above \$145 an ounce yesterday it closed at \$146.675—and second that provide funds for the expansion of the sale is linked to the able limits."

Details of the plan are to raise a final dividend of around 25 cents (14.6p) for the year to the end of June. An interim of 25 cents (14.6p) was paid yesterday to a year's high of 84p.

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Sime
Darby

الجامعة الإسلامية

The 1976-77 results of the Sime Darby Group



“...a year of record results with turnover, profits and assets reaching an all-time high. We look forward to the future with confidence.”

TUN TAN SIEW SIN, Chairman

The Group results

The Sime Darby Group returned record results for the year to 30th June, 1977, reflecting improvements in nearly all subsidiary companies, particularly in its trading interests which took full advantage of generally improving world commodity markets.

Turnover, at M\$1,367,926,000, was the highest recorded in the Group's history and exceeded by 17.3 per cent the previous year's figure of M\$1,166,378,000. Trading profit and profit before taxation reached record levels.

Trading profit, at M\$142,267,000, was 14.7 per cent higher than the previous year. Profit before taxation rose to M\$151,434,000, an improvement of 16.3 per cent. Attributable extraordinary profits of M\$42,000 were recorded, against the previous year's deficit of M\$1,882,000. The 1977 extraordinary profits principally from sales of land by The Amoy Canning Corporation (Hong Kong) Limited. These ordinary profits increased profit attributable to Darby Holdings Limited to M\$95,480,000.

There was a 50.0 per cent growth in total capital reserves during the year, to M\$740,863,000. Net earnings were reduced 13.9 per cent, from M\$80,337,000,

to Directors of Sime Darby Holdings Limited recommended a final dividend of 24.0 per cent, compared with 17.5 per cent the previous year. Additionally, the Directors recommend a special dividend of 5.0 per cent, paid to The Amoy Canning Corporation (Hong Kong) Limited's land sales.

Excluding this special 5.0 per cent dividend, the Directors therefore recommend a total distribution for the year of 35.0 per cent gross, compared with the previous year's gross dividend of 26.0 per cent.

Commenting on the Group's 1976-77 results, the Chairman of Sime Darby Holdings Limited, Tun Tan Siew Sin, spoke of it as "a year of record results with turnover, profits and assets reaching an all-time high. We look forward to the future with confidence," he added.

He Chairman paid tribute to the Directors, members and staff of the Group for their determination to minimise the adverse effects of the events preceding the Company's last Annual General Meeting, referring to changes during the year in the membership of its Board. Tun Tan also recorded the Board's appreciation of the leadership and efforts of Mr. J.E. Scott, who resigned from the Board last December. The Board wishes me to record its appreciation of Mr. J.E. Scott's significant contribution to the Group, first as Chief Executive and then as Chairman."

Tun Tan also paid tribute to the work of Mr. K.N. and Dr. Keith Bright, both of whom resigned from the Board during the year.

He welcomed to the Board Tunku Ahmad bin Yahaya, Mr. Sixto Roxas and Mr. Wee Cho Yaw. His appointment as a Director of Mr. J.R. Scott, will become Chief Executive on 1st November, according to the future, Tun Tan said the Group's overall strength provided both the base and the opportunity for further growth and development. He we can look forward to a year in which the Group can build upon its strengths and profitably expand its range of activities."

Consolidated Plantations Limited

For the year to 30th June, 1977 turnover climbed from M\$187,968,000, an increase of 21.2 per cent. Turnover increased and world commodity markets remained strong.

At the same time profit before taxation rose by 30.7 per cent, from M\$54,067,000 to M\$70,735,000, to a new record.

Profit after taxation rose from M\$30,610,000 to M\$37,000, an increase of 23.3 per cent and there was a 32.5 per cent increase in attributable profit, from M\$31,905,000 to M\$33,000.

Tractors Malaysia Berhad

Another record year to 30th June, 1977, saw a 22.5 per cent increase in turnover to M\$39,487,000 from M\$277,146,000.

Profit before taxation increased from M\$42,952,000 to M\$49,000 and profit after taxation from M\$23,340,000 to M\$33,000.

Sime Darby Holdings Limited

| | 1977 | 1976 |
|-------------------------------|------------------|------------------|
| | MS'000 | MS'000 |
| TURNOVER | 1,367,926 | 1,166,378 |
| PROFIT AFTER INTEREST | 135,911 | 118,478 |
| PROFIT OF ASSOCIATES | 15,523 | 11,681 |
| PROFIT BEFORE TAXATION | 151,434 | 130,159 |
| TAXATION | 67,532 | 59,246 |
| PROFIT AFTER TAXATION | 83,802 | 70,913 |
| MINORITY INTERESTS | 28,364 | 23,889 |
| EXTRAORDINARY PROFITS | 55,538 | 47,224 |
| PROFIT ATTRIBUTABLE | 95,480 | 45,342 |
| DIVIDENDS - NET: | | |
| 1977 | 1976 | |
| Interim | 11.0% | 8.5% |
| Final | 24.0% | 17.5% |
| Special | 5.0% | — |
| TOTAL | 19,817 | 13,949 |
| PROFIT RETAINED | 75,883 | 31,383 |
| EARNINGS PER SHARE | 29.0 cts | 24.8 cts |

SUMMARISED CONSOLIDATED BALANCE SHEET AT 30TH JUNE, 1977

| | 1977 | 1976 |
|---|----------------|----------------|
| | MS'000 | MS'000 |
| SOURCES OF CAPITAL | | |
| CAPITAL AND RESERVES ATTRIBUTABLE TO: | | |
| Sime Darby Holdings Limited | 516,844 | 440,602 |
| Minority Shareholders in Subsidiaries | 224,019 | 176,811 |
| TOTAL CAPITAL AND RESERVES | 740,863 | 617,413 |
| BORROWINGS - Net of bank balances, cash and deposits | 80,337 | 93,348 |
| DEFERRED TAXATION | 4,033 | 4,313 |
| 825,233 | 715,074 | |
| EMPLOYMENT OF CAPITAL | | |
| NET CURRENT ASSETS | 162,922 | 117,996 |
| DEFERRED DEBTS | 46,894 | — |
| INVESTMENTS | 13,388 | 36,592 |
| ASSOCIATED COMPANIES | 65,395 | 56,685 |
| SUBSIDIARY COMPANIES NOT CONSOLIDATED | 39,807 | 12,770 |
| FIXED ASSETS | 496,827 | 491,031 |
| 825,233 | 715,074 | |

The China Engineers (Holdings) Limited

Turnover was up 16.1 per cent to HK\$389,231,000. The growth in profit before taxation was even better, with a rise of 69.3 per cent from HK\$30,018,000 to HK\$50,814,000.

Extraordinary profits increased from HK\$13,441,000 to HK\$20,728,000 as a result of sales of land by its subsidiary The Amoy Canning Corporation (Hong Kong) Limited. This caused profit attributable to rise markedly to HK\$19,365,000.

The Amoy Canning Corporation (Hong Kong) Limited

Strong trading growth and exceptional extraordinary profits were the highlights of the year to 30th June, 1977.

Turnover rose 21.2 per cent from HK\$55,557,000 to HK\$67,361,000 and profit before taxation climbed from HK\$8,045,000 to HK\$9,255,000; a rise of 15.0 per cent.

The exceptional extraordinary profit of HK\$153,027,000, resulting from the sales of land, saw profit attributable soar from HK\$8,876,000 to HK\$161,569,000.

Sime Darby London Limited

Commodity trading figures helped push turnover up 19.9 per cent, from £85,164,000 to £102,104,000 in the year to 30th June, 1977.

Profit before taxation rose 43.7 per cent from £2,135,000 in the previous year to £3,068,000. A reduction in taxation provisions saw profit after taxation climb more than 300 per cent, from £427,000 to £1,757,000.

Profit attributable consequently improved markedly, from a deficit of £132,000 in the previous year to £1,256,000.

Major public subsidiaries' results

Consolidated Plantations Limited

| | 1977 | 1976 |
|-------------------------------|-----------------|-----------------|
| | MS'000 | MS'000 |
| TURNOVER | 187,958 | 155,036 |
| PROFIT AFTER INTEREST | 70,735 | 53,747 |
| PROFIT OF ASSOCIATES | — | 340 |
| PROFIT BEFORE TAXATION | 70,735 | 54,067 |
| TAXATION | 31,468 | 23,477 |
| PROFIT AFTER TAXATION | 39,267 | 30,610 |
| MINORITY INTERESTS | 220 | — |
| EXTRAORDINARY PROFITS | 39,047 | 30,610 |
| PROFIT ATTRIBUTABLE | 3,221 | 1,295 |
| DIVIDENDS - NET: | | |
| 1977 | 1976 | |
| Interim | 35.0% | 25.0% |
| Final | 85.0% | 55.0% |
| TOTAL | 31,592 | 23,927 |
| PROFIT RETAINED | 10,876 | 7,978 |
| EARNINGS PER SHARE | 36.7 cts | 28.8 cts |

* Adjusted for exchange difference on previous year's dividend.

Tractors Malaysia Berhad

| | 1977 | 1976 |
|-------------------------------|-----------------|-----------------|
| | MS'000 | MS'000 |
| TURNOVER | 339,487 | 277,146 |
| PROFIT BEFORE TAXATION | 43,958 | 42,952 |
| TAXATION | 20,305 | 19,812 |
| PROFIT AFTER TAXATION | 23,653 | 23,340 |
| EXTRAORDINARY PROFITS | — | 162 |
| PROFIT ATTRIBUTABLE | 23,653 | 23,502 |
| DIVIDENDS - NET: | | |
| 1977 | 1976 | |
| Interim | 10.0% | 5.6% |
| Final | 22.5% | 22.5% |
| TOTAL | 12,480 | 10,800 |
| PROFIT RETAINED | 11,173 | 12,702 |
| EARNINGS PER SHARE | 36.9 cts | 36.5 cts |

At the 1977 Annual General Meeting a four for one bonus issue will be proposed increasing the issued capital to HK\$50,000,000.

The China Engineers (Holdings) Limited

| | 1977 | 1976 |
|-------------------------------|----------------|----------------|
| | HK\$'000 | HK\$'000 |
| TURNOVER | 389,231 | 335,280 |
| PROFIT BEFORE TAXATION | 50,814 | 30,018 |
| TAXATION | 7,794 | 2,375 |
| PROFIT AFTER TAXATION | 43,020 | 27,643 |
| MINORITY INTERESTS | 4,393 | 2,937 |
| <b | | |

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Credito Italiano earns £6.5m. in first half

BY PAUL BETTS

CREDITO ITALIANO, one of Italy's bank's decision not to grant top five commercial banks and credits in sectors which now controlled institutes they had part of the IRI state holding represented too heavy a lending group, has reported a profit of risk.

£9.7bn, or close on £5.5m, for the first half of the year against situation of most state or semi-roughly break even during the state companies here and also of many private concerns, is, in effect, now rapidly developing into one of the major problem areas of Italy's leading and decline in both deposits and lend- ing during this period.

This reflects in large measure, interest rate differentials, and the bank itself reports an actual decline in both deposits and lend- ing during this period.

Total deposits, according to exacerbated by recent proposals returns filed with Consob, the stock exchange regulating agency, the heavily indebted State fell by some £427m, or about £955m, since December last year, would make the banks responsible for part of the credits granted to the former mineral agency. Such proposals could effectively mean that the banks would have to write off a large portion of outstanding Egam credits. Between them, the former Egam subsidiaries have accumulated debts totalling more than £1,000m, or about £700m.

One reasoning behind this funding operations, in part a controversial proposal is that the banks, by granting (mainly politically insured) credits to a number of economically questionable in funding clients' foreign exchange requirements after the imposition of limited but restrictive external trade controls. While this limitation total credit expansion played an only point out the serious effects important part in limiting the which this principle could have on their international credibility, at a time when they are heavily exposed abroad, but also that as

state and therefore politically controlled institutes they had little alternative to act otherwise.

Furthermore, the Egam affair is seen by the banks, heavily exposed in other troubled and much larger state companies like the IRI engineering financial holding Finmeccanica, as a possible thin end of the wedge, and a precedent, which if conceded, could open up the prospect of sizeable additional losses by way of write offs.

Inevitably, this has led to the banks adopting much more selective criteria in their domestic lending operations, in particular to the financially troubled state sector. The result is already being felt by a number of major state concerns which are experiencing increasing difficulties in finding new lines for credit, particularly medium-term.

At the same time, the banks are also showing resistance in automatically rolling over existing state sector loans, although in essence they have little real choice when it comes to extending current commitments.

Many small to medium-sized suppliers to these heavily indebted companies are, in turn, reporting sizeable delays in receiving payments, thus extending further down the entire industrial process the indirect consequences of the banks' more restrictive and selective attitude to the major state com-

panies.

The Rousselot bid prospects

THE RECENT bid by Société Française des Petroles BP to double voting rights as well as the voting rights as well as the capital of Société Rousselot, the major French producer of gelatins, animal proteins and chemicals, is unlikely to go through, AP-DJ reports from Paris.

Rousselot issued a communiqué saying that a special shareholder meeting called for yesterday was not held, for lack of a quorum. The meeting was to have considered changes in the company's statutes designed to cancel a clause limiting shareholder

BP, a unit of British Petroleum, declined to comment, adding that the company had not been informed of any Government decision on the subject.

The Rousselot communiqué said that by their absence from the meeting, a number of shareholders want to remind the Board that "any financial operation envisaged with groups other than BP should be preceded by new negotiations in order to preserve the legitimate interests of the personnel and the company's capital."

A spokesman for Rousselot declined to elaborate, but said that the fact that the French Government had not yet approved the take-over bid means that the answer is negative."

A spokesman for the French

AMERICAN NEWS

Walter Kidde sells U.S. Lines

BY JOHN WYLES

U.S. LINES, one of America's top three liner companies, has been sold under an agreement in principle to the former owner of Reynolds was blocked five years ago by an anti-trust action from buying U.S. Lines from Kidde, which earlier this year failed to secure Maritime Administration approval for its sale of its shipping company to Western Union Internationals, Inc. U.S. Lines has been a wholly owned subsidiary of Walter Kidde & Co., a diversified engineering and steelware concern, since January, 1969, and is now being sold for \$104.4m. and highly respected figure in the shipping world who is credited with the development of McLean Securities, a private company wholly owned by Mr. M. P. McLean, who sold Sea Land of putting containers onto chassis and towing them on to R. J. Reynolds Industries in 1969. Mr. McLean has also board ships. He is expected to undertake to pay \$4.4m. representing accrued interest at 10 per cent, until the anticipated date for the completion of the agreement in principle to the former owner of U.S. Lines Service.

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Crédit Lyonnais

Negotiable Floating Rate U.S. Dollar Certificates of Deposit.
Maturity date
29 September 1980



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the initial six month interest period from 28 September 1977 to 28 March 1978 the Certificates will carry an interest rate of 7 1/2% per annum.

Agent Bank
The Chase Manhattan Bank N.A.,
London

Weekly net asset value

on September 26th, 1977

Tokyo Pacific Holdings N.V.

U.S. \$ 39.73

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$ 28.96

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, Amsterdam

VONTobel Eurobond Indices

PRICE INDEX 14.576 = 100%

AVERAGE YIELD 20.977 27.977

Corporate Bonds 103.27 103.23 6.77 7.72

MFL Bonds & Notes 103.98 103.75 7.646 7.686

U.S. \$ Stg. Bonds 102.89 102.60 8.235 8.250

These securities having been sold, this announcement appears as a matter of record only.

New issue



\$30,000,000

Hapoalim International N.V.

Guaranteed Floating Rate Notes Due 1982

Payment of principal and interest unconditionally guaranteed by

Bank Hapoalim B.M.

GERMAN NEWS

Construction market recession

BY GUY HAWTHORN

THE WEST GERMAN construction market, which has been in recession for the best part of the year, still shows no sign of an improvement. Figures from the Federal Republic's largest home builder provide nothing to indicate an 'early change in the August period of 1976'. Housing administration turnover, however,

rose from DM1.94bn. to DM1.83bn—a fall of just under 6 per cent compared with the January to August period of 1976. Housing administration turnover, how-

ever, rose from DM1.90bn. to DM1.2bn. Turnover in 1976 totalled DM5.4bn. for both sectors, against DM5.2bn. in 1975.

Neue Heimat's building "overhang" by the end of August amounted to 18,000 homes. This is more than 40 per cent less than at the same point of 1976.

According to the report, the number of new housing starts between January 1 and August 31 totalled only 1,700 units—a 45 per cent below the figure recorded in the comparable eight months of last year.

The concern, however, reports a fair first-half increase in sales.

Costs have increased both in labour and raw material sectors. However, action has been taken to alleviate the effect of this through various cost-saving measures. The report

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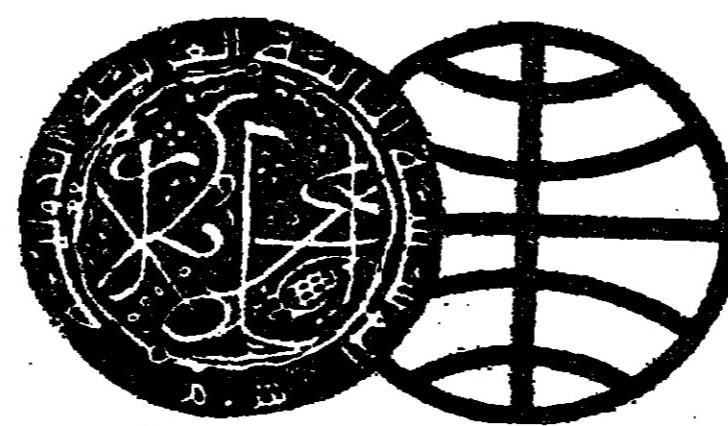
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الجامعة العربية



Arab Finance Group

Announces that:

In line with the policy of promoting Arab private investment, an agreement was recently reached among the original shareholders of Arab Finance Corporation (International) under which their shares were purchased and a new shareholders group formed consisting of private Arab investors from Saudi Arabia, Kuwait, the Gulf and other Arab countries.

It should be stressed however that although participation in the capital of Arab Finance Corporation (International) is being restricted to Arab private shareholders, the Arab Finance Group continues to adhere to its open policy of associating with prime international institutions through their participation in the capital of its operating vehicles.

The Group's objective is to establish a network of operating affiliates in the areas of banking, finance, real estate, industry, etc. In each of these areas, capital will be supplied to the operating companies by a holding company specializing in that field. At present, the Group comprises the following three holding companies, all of them incorporated in Luxembourg:

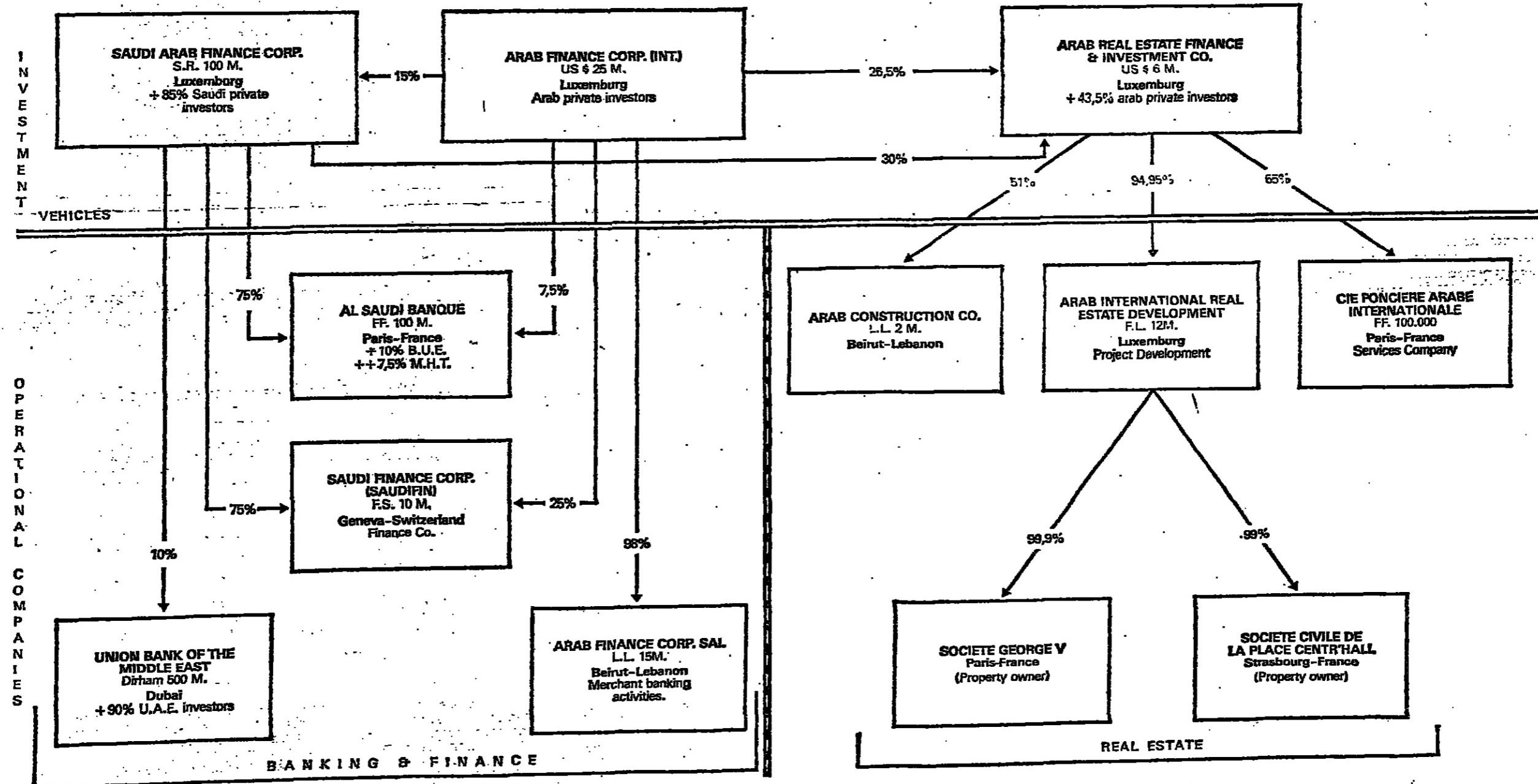
- (1) ARAB FINANCE CORPORATION (INTERNATIONAL) AFC(I) which groups private investors from several Arab countries as explained above.

On the 26th of July 1977, the Extraordinary meeting of the shareholders increased the authorized capital from \$US5,000,000 to \$US100,000,000 and, on same date the Board of Directors decided to proceed to a first subscription of \$US20,000,000 divided into 200,000 shares.

- (2) SAUDI ARAB FINANCE CORPORATION (SAFICO) with an authorized capital of SR100 million, half of which was paid-up and the second half was called for payment on the 4th quarter of 1977. With the exception of AFC(I)'s participation of 15% of Safico's capital, all its shareholders are Saudi private investors.
- (3) ARAB REAL ESTATE FINANCE & INVESTMENT CO. (AREFI) whose special vocation is in real estate development, has a fully paid-up capital of \$US6 million, half of which is shared by AFC(I) and Safico, and the balance by Arab private investors.

These three holding companies have established a number of operating affiliates, the structure of which is illustrated in the following Chart.

The Chairman
Dr. Chafic Akhras



WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Little change in sluggish trading

BY OUR WALL STREET CORRESPONDENT

LITTLE CHANGE was recorded several companies, including Bayer AG offer of at least \$40 a share, IBM rose \$1 to \$260, while Burroughs moved up \$1 to \$894 on a raised dividend.

Hewlett-Packard improved \$1 to \$78; Eastern Kodak gained \$1 to \$61; and U.S. Steel added \$2 to \$27.

Sony were active, but fell \$1 to \$153.

Golds moved up 10.7 to 1184.4. Oil and Gas put on 3.4 to 1921 and Utilities firms 0.09 to 160.61.

Thomson Industries climbed \$1 to \$271 on speculation that a Texas oil well, a drilling may be

were generally easier.

GERMANY - Higher, with in-

creased turnover on Domestic and Foreign investor buying.

Deutsche Bank gained DM6 to

to \$114; and Massey Ferguson to \$172.

French shares rose but U.K. issues declined slightly, while day's lows on renewed selling

Germans were little changed. U.S. pressure.

Bonds were steady in quiet

trading.

Johannesburg Gold

shares were higher, reflecting overseas interest. Gains in "heavyweights" ranged up to 75 cents and other shares between 5 and 20 cents.

Financial Minings were quiet.

Coppers were quiet, while Plat-

inums lost ground following year

TOKYO - Further improvement with active selective buying spreading over a wide front.

Volume 280m (180m) shares

headed the rise. Fuji Photo Film added Y37 at Y820 on anticipated good earnings prospects.

But Yokohama Rubber con-

tinued lower on its fears of a

sharp decline in profits this year,

due to its defective tire problems.

Mitsubishi Electric also lost

sharply on the 75 per cent fall in first half year after tax profit, while Japan Air Lines shed Y30 to Y2,500 following a crash in May.

HONG KONG - Closed yesterday following Mid-Autumn Festival.

AUSTRALIA - Slightly firmer, aided by Government moves to bolster the dollar.

EPH gained 14 cents to \$5.54

on its improved oil prospects.

Banks were generally firmer,

with Westpac gaining 3 cents to

\$5.04. National 3 cents to

\$4.20, and ANZ 2 cents to

\$4.20.

Insurance was mixed, how-

ever, and友邦 was slightly

higher.

OSLO - Banking, Insurances

and Shipments were quiet, while

Industries were slightly easier.

VIENNA - Slightly easier in

trading.

SPAIN - Prices again

evidence although less pronounced

than on Tuesday. Utilities, how-

ever, recorded some small gains.

Swissair moved up Frs.28 to 840

on strong demand after its August

trading report.

Hypothenkbank Solothurn

based on some profit taking.

Insurances were generally steady.

Dollar stocks were mainly

easier, while Dutch Internationals

were more steady and Germans

were slightly irregular.

COPENHAGEN - Mixed in mod-

erate dealings.

OSLO - Banking, Insurances

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franc firme

FINANCIAL TIMES SURVEY

Thursday, September 29 1977

مكتاب من الأجهزة

Flanders

Linguistic and cultural problems still abound between Belgium's two communities—Flanders and Wallonia—to say nothing of the question of francophone Brussels situated within Dutch-speaking Flanders. But the signs are that Flanders' influence—politically and economically—is on the increase.

place

d Buchan
same house, but in
oms." That is how
relationship between
two main linguistic
s—Dutch-speaking
in the north and
Walloon—in
is shaping up. The
union is not com-
Neither community
divorce. But both
certain of their
official business in Dutch, and
eed to be pursued.
Following the April,
al election and the
formation of the
ition Government of
ster Leo Tindemans
Fleming), the aim
Flanders is Belgium's pre-
by the mid-1980s a
Belgium of three
nd political regions
Walloon and the Antwerp. (Flanders' biggest
pital of Brussels is the centrepiece of
Europe," and for Flanders as cultural protection, they do regional
communities

Indeed in what remains of
the old Belgian unitary state,
Flanders has now won its place
in the sun. With the bulk of
the population and industry
of Flemish, the aim
Flanders is Belgium's pre-
dominant economic region.
Henry Kissinger in his study of
post-Napoleonic Europe called
Walloon and the Antwerp. (Flanders' biggest
city) "the centrepiece of
Europe," and for Flanders as cultural protection, they do regional
councils, directly elected by universal suffrage passed by the next parliament—modern state made this im-

amount of linguistic and cul-
tural autonomy, to the satisfac-
tion of the Flemish. But it has
been a long and uphill haul for
them to win official party for
their language with the world
language of French. Much cited
in Flemish political folklore was
the 19th century execution for
murder of two Flemings almost
certainly wrongly convicted
because they were tried in a
French they did not understand.
The legacy of the promise by
German occupiers during both
world wars for more autonomy
for Flanders is that some
5,000-6,000 Flemings to-day still
have no voting rights, and some
30,000 are denied State pen-
sions. For "collaboration," say
the Walloons, the result of a
linguistic "witch hunt" by the
Walloon, say the Flemish. The
tensions linger on—though it is
ten years since there was a
proper language riot and the
Flemish now have equal status
for Dutch control their own
education, require that all com-
panies in Flanders do their
official business in Dutch, and
so on.

Much has been done to
accommodate the aspirations of
both linguistic communities,
down to separate TV networks
and linguistically drawn church
diocese boundaries. But the
present state of devolution in
Belgium is a muddle, and lop-
sided. While education and
cultural budgets are governed
very largely by the decisions of
the French and Flemish Cul-
tural Councils, the economic
affairs budget is still mainly
nationally set. The real push
against this half-way house to-
wards devolution comes from
the Walloons. With no need for
a whole, its central EEC posi-

tion with easy access to the sea what they see as the economic constraints of the unitary state, for all regional economic prob-
lems, able to raise their own loans, though initially financed by Central Government block grants, which will increase as GNP rises. To sort out all the benefits from a certain transfer of Flemish economic resources seems to be cutting jurisdictional headaches, Bel-
gium will get a Supreme Court. But the compromise on Brussels is the string that ties the package together. Brussels is set in Flanders, and the Flemish have long hated the "oil stain" of the francophone majority in Brussels has spread out into Flemish suburbs and countryside. By the new agreement the limits of Brussels are to be set at those of the present 19 communes, to assuage Flemish fears. But in return the Flemish lose their equal status with French in the capital, and those French speakers in the communes outside the city will be able to maintain fictitious addresses in the city and to be taxed, baptised, tried and able to vote in national elections in the city itself.

This last, many Flemings point out, is a concession never granted to Flemish speakers in Wallonia. And it is in Flanders that the rumblings are growing: the quiet in Wallonia is taken as evidence that the vital concessions have all been already, but their powers will be increased. These councils exist to implement the real innovations. To implement the whole deal may take as long as eight years, given that constitu-
tional revisions can only be tralising tendencies of the one distinctive Flemish party, the Volksunie, Mr. Schiltz, our weight on the international scene would become negligible."

| BASIC STATISTICS | | |
|------------------------------------|----------------|-----------|
| Population | Belgium | Flanders |
| Area (sq. km.) | 9,813,152 | 5,534,967 |
| Population density (sq. km.) | 322 | 411 |
| Gross domestic product (B.Frs.bn.) | 1,866 | 1,037 |
| Investment in industry (B.Frs.bn.) | 118 | 68 |
| Exchange rate | £1=B.Frs.62.50 | |

sible. A regionalisation pact was also necessary because this has indirectly paved the way to.

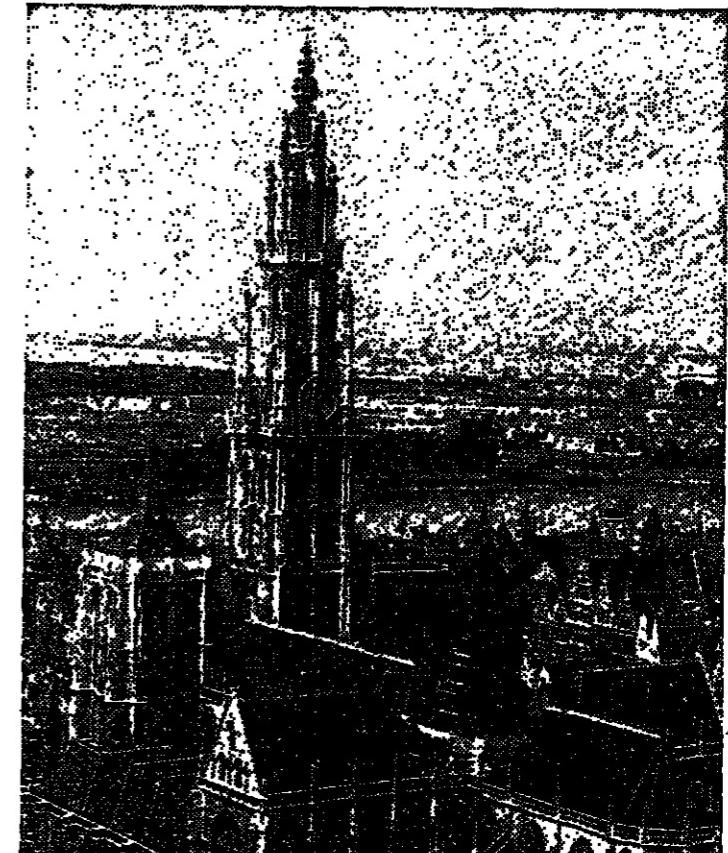
No crystal ball can at this stage tell what the political map of Flanders will look like if the Flemish Social Christians will probably follow without a turn. Mr. Schiltz says, will go through. Where will the regional council or parliament sit? (Antwerp probably). What will be its resources? (The present Flemish Economic Ministry has only B.Frs.5bn. a year.)

With these arguments, Mr. Schiltz claims to have his party well in hand, though one Volksunie senator has defected in protest at the Brussels compromise. But although the devolution plan is supported by parties that won 80 per cent of the Flemish vote in April, Mr. Schiltz is under attack from the various cultural movements which have a loud voice in Flanders. Just as war is the continuation of diplomacy by other means, so Flemish cultural activities continue the political struggle for emancipation by different methods. As develop within the context of a strong Belgium, without which our weight on the international scene would become negligible."

FLANDERS

The Northern Part of Belgium The Heart of the European Community

FLANDERS, ON THE NORTH SEA, IS THE CENTRE OF A RICH CONSUMER MARKET OF MORE THAN 200 MILLION PEOPLE



The Investment Area for Foreign Investors

IMPORTANT FINANCIAL AID AND FISCAL ADVANTAGES

18,000 sea-going vessels annually land in the shadow of the 100 m. high Gothic tower of the 14th century Antwerp cathedral. (Photo INBEL)

The Belgian expansion laws of 1959 and 1970 are equally applicable to foreign investments. They provide for substantial aid in a variety of ways.

• **INTEREST SUBSIDIES:** the Government grants reductions in interest rates amounting to 5% during five years. Moreover an additional 2% or a prolonging of the aid for two years is provided as a cyclical measure. This means that the total interest subsidy can reach 5 or 7% with a duration of 6 or 7 years.

• **CAPITAL GRANTS:** as far as own funds are used in financing the investment, the interest subsidy can be replaced by a capital grant of equal value.

• **STATE GUARANTEE:** the Belgian Government may guarantee the total or partial reimbursement of the principal, interest and other charges of investment loans and ordinary or convertible debentures which were issued in order to finance the investments.

• **PROPERTY TAXES:** exemption from real property taxes and a system of accelerated depreciation are also granted to investors.

• **INVESTMENTS OF PRIORITY NATURE:** in cases of very important investments which have been recognised as being of a priority nature and which have a considerable impact on employment, government aid can attain 21% of the amount invested.

• **V.A.T. ON COMPLEMENTARY AND NEW INVESTMENTS:** the Belgian Government has decided to waive completely the V.A.T. on complementary and new investments.

• **EMPLOYMENT GRANTS:** for enterprises that create supplementary jobs; in some cases employment grants are foreseen, with the effect of greatly reducing Social Security contributions.

• **FISCAL REGIME FOR FOREIGNERS:** foreign managers and key-employees residing temporarily in Belgium enjoy a special and favourable fiscal regime as far as their professional income is concerned.

Of course this list is not complete. Moreover it should be mentioned that, in the last 15 years, 3,260 foreign firms have settled in Flanders, of which 608 are foreign plants.

- FLANDERS has the most dense road and railroad network in the world. It is crossed by six international freeways and is linked to all European freeway networks.
- FLANDERS has a waterway network linked to the large seaports of Antwerp, Ghent, Zeebruges and Ostend and to all European waterway networks (France, Germany, Switzerland, the Netherlands, etc.).
- FLANDERS has an international airport, i.e. Brussels National airport, operated by Sabena airlines, and has connections with 37 international airlines, linking Brussels with airports in all the other continents.
- FLANDERS has four large seaports: Antwerp, Ghent, Zeebruges and Ostend. Antwerp is the third largest in the world, and specialises in the loading and discharging of cargoes and containers, within the shortest turn-round time. Only in Antwerp do about 18,000 seagoing vessels land with 67 million tons of cargo.
- FLANDERS has one of the most specialised and productive labour forces in the world. The highly skilled labour potential is maintained by the existence of a widespread network of technical schools.
- FLANDERS has numerous scientific research centres and universities promoting co-operation between industry and fundamental and applied research.
- FLANDERS has about 120 completely equipped industrial parks of between 10 and more than 1,000 ha., close to the seaports, airports, railroads, freeways and waterways. These industrial sites form an attractive pool of multinational, small and large enterprises and sub-contracting firms creating a highly rewarding complement between producing firms.

THE REGIONAL DEVELOPMENT AUTHORITIES at your service

Each Flemish province has its own Regional Development Authority, which is entirely at the disposal of the potential investor for all kinds of information concerning industrial sites, possible location, connections by road, rail and waterway, the labour market, etc.

They will provide you with all necessary assistance in your investment project.

FOR ALL INFORMATION

Office of the Secretary of State

Mr. R. van OUTRYVE d'YDEWALLE

Head of the Office

Anspachlaan 1, Box 8

B 1000 Brussels - Belgium

tel. (32.2) 219.49.90

FLANDERS II

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W.M. Madou S.A.

FLANDERS SHARES the same broad order of problems that besets the Belgian economy as a whole: as the country's predominant region, it would be surprising if it did not. Of most concern to ordinary people are prices and jobs. Belgium combines the second lowest inflation rate in the EEC (second to Germany and just ahead of the Netherlands, at an annual rate of 7.4 per cent. in the first half of 1977)—with a level of unemployment second only to Ireland in the EEC. By mid-summer 6.4 per cent. of the active Belgian workforce was jobless: the absolute number, wholly unemployed with unemployment insurance, was some 260,000.

This combination is not exactly coincidence. The considerable fear of bringing down inflation—from 16 per cent. in 1974 and said to be the highest since the 16th-century era of Charles V (born in Ghent)—was partly due to last year's Government freeze on wages, but also to the policy of keeping the value of the Belgian franc as high as possible. The fear was, in Belgium, and has a few hours and is, that a depreciated franc would have translated into Europe's biggest maker of higher import costs, which in turn would have quickly led to higher wage costs via the rapid transmission belt of the consumer price index to which virtually all Belgian wages are tied. The Tindemans Government and the National Bank regard this as unacceptable for a country that exports half of its GNP. Both seem determined that the franc should hang on to the coat tails of the D-mark and the Dutch guilder in the snake joint float, partly in the hope that some of the "discipline" of their neighbours, particularly the Germans, will rub off on Belgians.

The authorities have steadily brought interest rates down from 16 per cent. (the national bank's discount rate is now 6 per cent.) from last year's peak rates, which were designed to help defend the franc but which also brought the slight recovery of spring 1976 to a grinding halt. But there is as yet no hard evidence of a pick up in the current 10 per cent. of all wage earners (excluding the self-employed). This, though still two points below the similar rate in Wallonia. The 203,651 work days lost through strikes in Flanders in 1975 exceeded by 18,744 those lost in Wallonia (which admittedly has less industry). And the fact that the CSC joined hands with the FGTB this spring to launch a series of rolling national strikes in protest at unemployment and Government social policy, coupled with the fact that the strikes were as effective in Flanders as in the south, point to a weakening of the CSC's traditional ties with Mr Tindemans' Flemish Social Christian Party.

A series of nationwide union strikes before the April, 1977 general election, and the inclusion of the socialists in the second Tindemans coalition after the election, have put unemployment much nearer the top of the Government's list of priorities. But despite the inclusion of a slightly unreal plan to reduce the number of jobless by 70,000 next year, and increased public investment, the 1978 draft budget is not really refatory. Indeed by personal tax increases, it aims for a two-thirds cut in the current public deficit to B.Frs.23bn next year and to reduce Government borrowing, though some push is given to private investment by abolishing the much vilified 5 per cent. VAT on investment goods.

Not all the 5.6m. people living in Flanders are of course suited by Mr. Tindemans' mildly conservative economic policies. But broadly speaking, the more conservative, Flemish part of the country would probably agree that inflation is a greater evil than war at least a root cause of unemployment, that State spending needs reigning in, and that State aid is not a full substitute for necessary structural readjustments. For a number of reasons Flanders is better equipped

than Wallonia to weather the current economic depression. The structure of Flemish industry is more diversified—with a larger number of small companies producing a wider range of products. Flanders has most of its relative lack of steel well ahead of metal processing plants. Even Sidmar, the Flemish maker of any size and

those employing the largest number of workers—nearly 20,000—have been in textiles with its relative lack of steel well ahead of metal processing plants. Even Sidmar, the Flemish maker of any size and odd that have also asked for

Flanders is probably blessed with a record employment in Flanders, Belgian and foreign

R.Prs.265m. in the first months of this year, the R.Prs.350m. invested

some period last year. It is therefore not surprising

that Mr. Tindemans has formally appealed to the ESC

though not on the frightening scale of Walloon steel. Flanders' industrial policy for textiles, which will not only restrict in

the duck sector is textiles, which will not only restrict in

which has lost 60,000 jobs in the ports but also finance a long

last five years. The carpet sector reconstruction of the

tor is still doing fairly well. But industry

"Our economy has been very vulnerable," Mr. Eykens says, "because of high and the high degree of investment. It is now no longer a question of how much to invest. Flanders can invest every year, but how much it can prevent from leaving is not so far in the very important chemical and petrochemical sector that the threat imminent foreign potent itself. There are problems but most concern the most fashioned Flemish plan Belgian companies."

The present dilemma is while Mr. Eykens and ministers stress the need for Belgium and Flanders to concentrate on high value products to offset high costs, this often means intensive investment in fewer new jobs at a time of record unemployment, noticeable that not only investment in Flanders, Belgian and foreign

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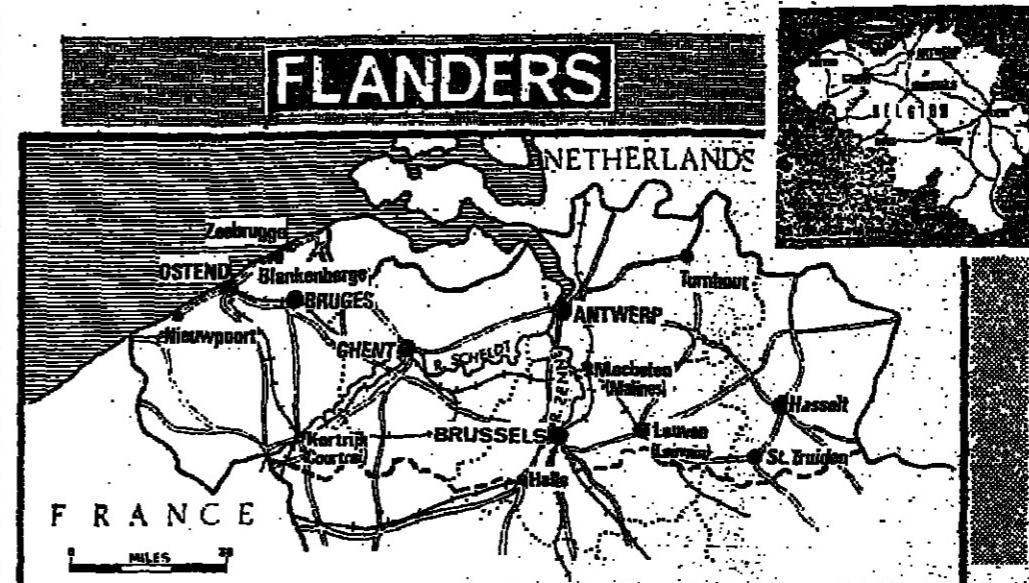
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David Bu



Economic problems

staff. But Sidmar also claims of the companies that have higher productivity than similar ones in neighbouring Du

those employing the largest

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|--------------------------------|--------------|-------------------|-------------------|------------------|--------------|-------------------|-------------------|
| 08.40 (0) | 17.20 (0) | 20.50 (0) | 20.50 (0) | 08.55 (0) | 17.30 (0) | 21.50 (0) | 21.50 (0) |
| 09.30 (0) | 18.00 (0) | 21.40 (0) | 21.40 (0) | 09.50 (0) | 17.50 (0) | 21.50 (0) | 21.50 (0) |
| 10.15 (0) | 18.20 (0) | 21.50 (0) | 21.50 (0) | 10.30 (0) | 18.40 (0) | 21.50 (0) | 21.50 (0) |

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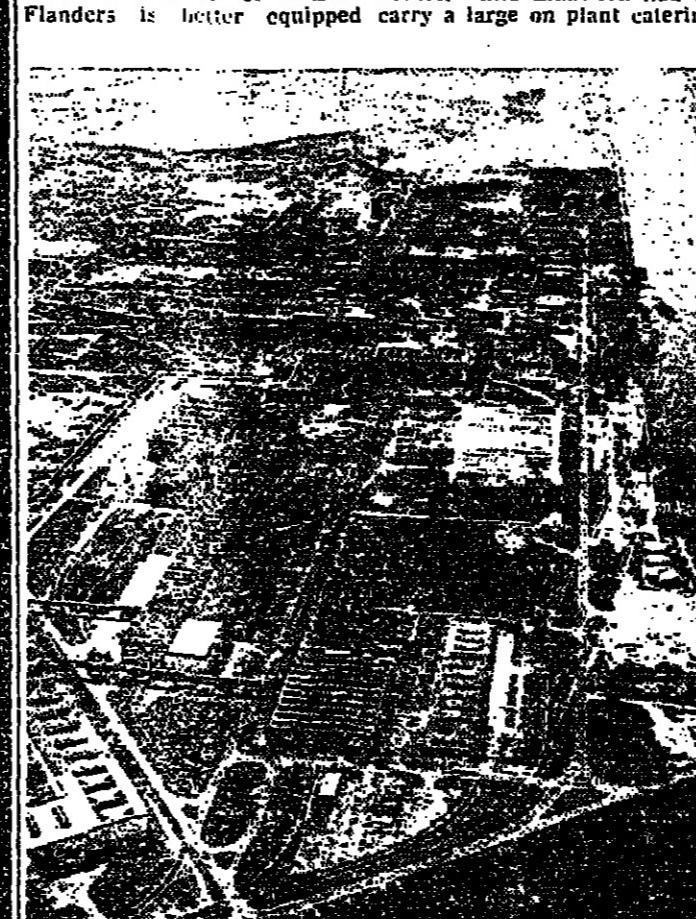
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FLANDERS III

الحملة

A trading tradition

TRADERS since the iron and steel shipments, due British ports. Flemings have to the European steel recession. Dredging of the outer Scheldt which Meuse water (which is run by the state while Antwerp is still below the 1974 peak Dutch through whose territory it means of the Albert Canal) is limited. The view of the Belgian figure of 75.8m. tonnes. But trade is at last picking up from the 1975 level, which was 20 per cent. below that of 1974. In the extent that 90 per cent. of ships entering Antwerp can now approach.

Flanders have won a share of European trade. Antwerp alone in the first half of this year seaborne traffic was 9.8 per cent. up on the same period last year, though this overall increase conceals an actual drop in the result. Antwerp can now take the amount of unloadings or imports ships of 75,000-80,000 tonnes, of 1.7 per cent. and a large which while still not admitting oil supertankers certainly allows passage even to the third generation.

The discrepancy is partly accounted for by an increase in the amount of petro-

chemical products, refined and in the port area and shipped from Belgian ports such as Antwerp and the fact that very little crude actually enters the port directly. Antwerp and its refining and petrochemical industries get their raw material by way of the Rotterdam-Antwerp oil pipeline which doubled its throughput to 13m. tonnes in the first half of this year, compared to only some 7m. tonnes piped in the first half of 1976.

Criterion

By the criterion of flag, Antwerp is still predominantly a British, German, Liberian and Greek port in that order. But it has successfully attracted new customers, and the Soviet Union is now in fifth place with 4.4m. tonnes of Russian registered shipping passing through the port last year (while Belgium itself is in eighth place with 2.8m. tonnes).

With high wages and an extensive "decasualisation scheme" (which basically means assuring dockers that do not find work on a given day or week of a good unemployment benefit), the port authority has annual tonnage over 300m. tonnes. The other main reason for labour peace in the port is that the high influx of general cargo into the port has kept employment high, with the daily average of employment rising to 7,000 in the first half of 1976 to 8,500 in the first six months of this year. For these reasons the Antwerp authorities say they are mercifully free from the sort of problems which are to the port the newer cargo handling technologies have brought to some

of the Meuse and Antwerp for of Zeebrugge the port is indeed, which Meuse water (which is run by the state while Antwerp passes) in recent years has improved. Therefore, this matter of Minister of Communications, proved the navigability of Belgian linguistic and regional Mr. Jos Charlier, is that Antwerp's access river—to the politics will have to be settled "whereas it is obvious that each

of the Belgian ports must be able to handle the general cargo

Resolution of these disputes generated by its immediate with the Dutch is essential in the long term for the future of Antwerp. But Antwerp's second suited to its location for the access to the sea, by way of the much larger European hinterland." For the Government, Zeebrugge is its strategic asset, the one big port unfeathered by the like so that in future the foreign control. For energy in particular, the Government does not want to be beholden to any of its neighbours for transhipment in time of crisis.

At present, Zeebrugge can take ships of 80,000 tonnes.

Beyond that, oil tankers can enter partly loaded, having usually called first at Rotterdam or Pembroke/Milford Haven.

But also a serious problem with the pollution by all the Antwerp petrochemical, chemical and refining industries and the changes in water temperature mainly caused by the two nuclear power plants which the Belgian power company EBES is building on the upper left bank of the Scheldt.

By the Treaty of Bath the Dutch have allowed Belgium to dredge the outer Scheldt. By the Treaty of Baalhoek the Dutch have given the go ahead for the cutting of a canal through the left bank of the Ghent port area has to import its crude by way of pipeline from Zeebrugge.

While Antwerp and Ghent do not really compete with each other for cargo, the same is not true of Zeebrugge, the brash upstart of Flemish ports. Last year the 12.5m. tonnes of cargo handled gave it a 10 per cent. share of Belgian port traffic, an astonishing growth compared with the mere 2m. tonnes handled in 1967. Oil and container traffic are the keys to its growth. Short sea traffic has so far been its staple mainly from the U.K. (75 per cent. of which is from the U.K.). But recently it has won recognition from the international container lines. It has indeed just won the South Africa-Europe container service away from Antwerp—an indication of the Belgian dispute between the rival Antwerp rights fears. The Belgian Government is already a matter of internal politics, between the Wallons in the south who control most of the Belgian port firmly behind the development

IT IS A standard grievance in to 3.5m. tonnes last year. But is some success in persuading Antwerp that the city shoulders the cost of running the port, while the Belgian state keeps them mainly.

It is now official Government policy to restrict the port area for capital intensive industry, and to persuade big users of labour to go further inland. But there is some ambivalence in the way the policy is being pursued: Ford for instance being lobbied by the Belgian and Flemish authorities to expand its tractor plant in Antwerp rather than set up a fresh plant in Ireland (the other option Ford is examining). Ford is already one of the big users of labour in the port area.

Total petrochemical and chemical investments in the port area, by both Belgian and foreign companies, tops B.Frs.60bn. to-day (nearly

Scheldt's left bank is that it should be reserved for the same sort of high technology, highly capitalised companies that characterise most of the right bank. Already some 1,000 hectares of the 3,000 hectares that are eventually designed for industrial development on the left bank now have tenants.

But of course, further dredging of the Baalhoek Canal, beyond the Kalle Dock which is practically completed, and further industrial development of the left bank turn on negotiations with Holland which would control the sea exit of the Baalhoek Canal. For this political reason, and for the more general factor of the present depressed climate for international investment, seems safe to conclude that if industrial growth takes place on the left bank, it will do so at a much slower and more modest pace than the growth of the right bank did in the heady 1960s.

Antwerp's basic strategy has been to attract industry as security for the future. Shipping times may come and go—and some have in recent years turned to more immediately accessible ports—but port-based industry is to a large extent a rapacious user of the port facilities. Exactly how big a user as a proportion of total traffic is not easy to decipher, but in the first half of this year cargo traffic generated by petrochemical companies alone rose by 20 per cent. The means of attracting investment in the Antwerp area have been largely free infrastructure facilities, and tax incentives, and the results up to now have been spectacular. Total investment in the port area is in excess of \$2.5bn., and in this foreign companies—though they only form some 15 per cent. in the 15,000-strong Antwerp Chamber of Commerce—have played the key role. Between 1959-73 one-third of all foreign investment in Belgium, or \$6.5bn., was concentrated in the province of Antwerp (admittedly a wider region than just the port area).

Among the earlier arrivals to the port area were the oil refining industry, and among these a net importer of labour are Anglo-Belgian Petrols from the surrounding areas, particularly from the Campine in Antwerp—but that most of Sonnete Industrie Belge Des Petroles. All of these companies arrivals predate the advent of the superanker which drastic has meant going further afield in their home country bases.

D.B. Antwerp has long been a pole of attraction for qualified and professional Flemish in search of better opportunities. But it is the Antwerp shipbuilding industry (principally the Cockerill yards at Hoboken) shares a common complaint that many depressed outlook, wages are of the big companies employ very few upper grade Flemish.

This appears to be not so much that foreign companies employ a large proportion of their own nationals—General Motors and Ford for instance only have a handful of American managers

in Antwerp—but that most of the Antwerp plants are purely

young population. But the development concentrated back

the superanker which drastic has meant going further afield in their home country bases.

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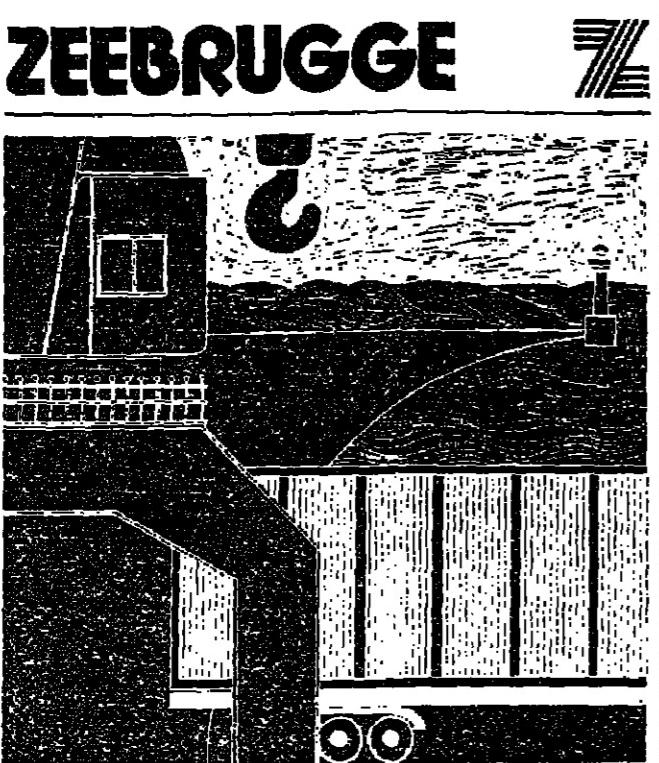
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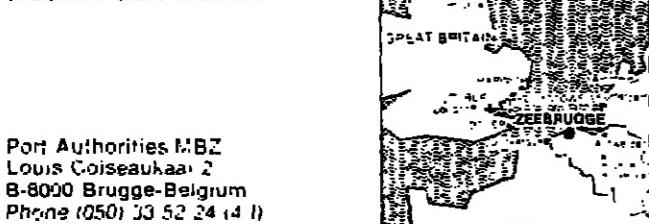
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YOU DO not have to be a prospective buyer to see diamond diamonds—from 5.42m. carats cutters at work in Antwerp in 1965 to 12.87m. in 1976—They have been clearing, sawing coincided with an even sharper and polishing stones for 500 rise in re-export of rough years and are rather proud of diamonds for processing elsewhere—from 1.08m. carats in 1965 to 9.13m. last year—with stones imported for processing in Flanders dropping from 4.34m. to an estimated 3.84m. Exports of polished stones rose over this period from 1.43m. carats to 2.49m., mainly because of the rise from 330,000 to 1.48m. carats in imports of polished stones. Exports of stones processed in Flanders declined to an estimated 1.01m. from 1.1m. carats. (The discrepancy in the totals for polished as opposed to rough stones is due to a small amount of stockpiling and the fact that between 50 and 70 per cent. of a stone's weight may be lost in the cutting and polishing.)

The decline in processing struck hardest at the small diamonds sector, which accounts for about two-thirds of all the workers and employers in the industry. About 100 employers, many of them owners of small workshops, were forced out of business and the structure of the small stones sector changed. A slowing in the supply of rough diamonds during the late 1960s and early 1970s forced a certain rationalisation, the small workshops are increasingly giving way to larger ones processing in India, the USSR and Israel, has accelerated a more efficient accessories which tend to cut down the number and a slowing in the supply of workers.

The large stones sector, which has always been concentrated in the manufacturers' workshops, has not really suffered from competition but has been harder hit by a slowing in the supply of suitable raw materials, a trend for which there are conflicting explanations. About 95 per cent. of the world's rough diamonds, gemstones and industrial diamonds, come from Africa: about 60 per cent. from Zaire alone, the balance from South Africa, Ghana, Sierra Leone, Namibia, Angola, Guinea, Liberia, Tanzania and the Ivory Coast. From India, Indonesia, the USSR and Latin America. About 85 to 90 per cent. are put on the market in London, put by the Central Selling Organisation (CSO), a subsidiary of the



A craftsman at work rough cutting a diamond in an Antwerp workshop.

De Beers Group. This virtual monopoly allows the CSO total weight of rough diamonds almost total control over the diamond price—which has appreciated steadily in money terms over the past decade in inverse proportion to global inflation but has remained remarkably steady in real terms—and over supplies.

The slowing of supply of high quality large stones over the past decade has prompted suggestions that the world's diamond mines are beginning to run out and may be exhausted in a decade or two, but dealers are confident that the supply has merely been stemmed by the CSO to maintain prices in the face of world recession and ebbing demand. This is, possibly, largely because of the unique structure of the market for rough diamonds in which the very tight control over primary selling operations exercised by the CSO has never been challenged, as it is the interest of everyone concerned—traders, manufacturers and consumers—that the price should remain high. Thus the CSO can afford to sell only to buyers selected by itself and to dictate its terms.

The 250 buyers on the CSO list, which includes about 100 Belgians, come to London about 10 times a year to examine batches of stones, known as "sights," which the CSO compiles according to their individual requirements. The buyers, who represent the more established international dealers and manufacturers, are offered the sights allocated to them at a fixed price, take it or leave it. A buyer can, in theory, refuse a sight but should he do so two or three times, he risks losing his place on weekday meetings in large exchange rooms which could easily be mistaken at first glance for railway cafeterias. They

Much of the dealing takes place in the offices of individual dealers and manufacturers, in or alongside the exchange buildings. There is also a certain amount of "inviting". A buyer can, in theory, refuse a sight but should he do so two or three times, he risks losing his place on weekday meetings in large exchange rooms which could easily be mistaken at first glance for railway cafeterias. They have neither the pomp of the London Stock Exchange nor the frenzy of the London commodity exchanges. The traders, substantial proportion of them with a certain percentage of black hats and long curling hair, sit quietly in groups London, tends to re-emerge in pairs, three or four at the Antwerp market. Though tables peering through magnifying glasses at stones set out workmanship. "The pieces of white paper. "Are very good," one the conclusion of a deal, the grudgingly admits, "stone or batch of stones is stones are a bit brittle weighed on official exchange cutting is perfect—no scales and the weight written machine done, but all down. Otherwise, no paper to Antwerp standard." So the industry would be crass enough to count manufacturers, the two pile of stones he has just bought together four years ago.

The rarefied atmosphere of the exchange buildings is discreetly but ruthlessly protected from any bathers by a network of armed security guards, detectives, television cameras and electronic devices. Police cars are parked permanently at vantage points in the surrounding streets and parking is forbidden in certain areas. Despite the decline in the processing industry, the outlook is not grim. Stones sent to and from the workforce buildings travel in an armoured car with a police convoy. It is very unobtrusive. Unlike the entrances of the Park Royal in Brussels there are no police with submachine guns, the very idea of which sends a shiver at one of the exchanges into fits of laughter. "This is Antwerp, madame, not Chicago," How ever, take a few steps out of the line and you are gently but firmly steered towards the door.

The industry is also taking sellers' convenience steps to protect itself in a wider inflationary oil sheikdom contest. After years of com placency, Antwerp has become alarmed by the growth of other Antwerp are uniquely centres, which can no longer be much time worrying dismissed as merely "good next cigar will come in competition" or "shoddy Indian Margaret van

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The foreign stake

foreign companies, Flanders does not lack capital which, who came to — foreign companies raise 75 to 80 per cent of their initial investment and are having second capital requirements on the part of the region, and domestic money markets and look ominous. So finance subsequent expansion by Saab, Renault, largely from profits; nor does it have reduced lack expertise—many senior executives in foreign companies and 6,000 jobs. The are Flemish. What is missing is new car assembly of the responsibility lies with the ales came as a disappointment to the extremely conservative Belgian investor and the legacy left behind by previous governments. The hypothetical rest has contributed average Belgian who saves 18 in the Flemish per cent of his income, tends to invest heavily in Government bonds, Small Belgian companies cannot compete with the multinationals over the past five years: Flanders has been held shares in any private company and institutional investors are compelled by law to invest heavily in Government bonds, a is based on small diversified industrial workforce. Seventy-five per cent of total industry, unlike that of workers, a stabilis since individual little impact. But bases would not attract much companies account for support.

The warnings of the past two years have not been lost on the Belgian Government — earlier this year it introduced a package of incentives another of the big metal producers, including car assemblers and petrochemicals, which depend on the so-called Esmont Plans, to stimulate investment. These included: generous interest products, and the subsidies on loans for new production; selective exemption from real property tax and some obsolete in capital registration tax; liberalisation so that it is used depreciation allowances; easy for a company to disinvest to cut VAT on new and complementary investments; tax exemption for the big foreign companies reinvested capital gains, and these sectors retain grants from the European Regional Fund for projects in the next two years.

Industrial output could be very serious. These measures do not appear to have had much impact on the foreign business community so far, probably because they do nothing to overcome the basic consequences for centres such as problems — production costs will be very serious. Flanders but for Belgium as a whole, Germany, France, the Netherlands, and Scandinavia, pay wages among the highest in Europe. On top of this, they have to pay social security contributions equal to more than 50 per cent of the paid wage, out earlier this year in a survey

These contributions, the highest in the world, are indexed to inflation and despite the Government's success in bringing inflation down to around 7 per cent, representing B.Frs.133bn., or from 16 per cent in 1974, it still takes a long time to get them back to parity with 108,000 jobs, 88 per cent found in the neighbouring European countries. Many U.S. companies higher in Belgium than anywhere else in Europe. Seventy-five per cent of the responsibility lies with the ales came as a disappointment to the extremely conservative Belgian investor and the legacy left behind by previous governments. The hypothetical rest has contributed average Belgian who saves 18 in the Flemish per cent of his income, tends to invest heavily in Government bonds, Small Belgian companies cannot compete with the multinationals over the past five years: Flanders has been held shares in any private company and institutional investors are compelled by law to invest heavily in Government bonds, a is based on small diversified industrial workforce. Seventy-five per cent of total industry, unlike that of workers, a stabilis since individual little impact. But bases would not attract much companies account for support.

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M.v.H.

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CONTINUED FROM PREVIOUS PAGE

A beet crop, also an tently high demand for pork. The inevitable drive towards greater productivity is reflected in fertiliser consumption others, the Belgian Government — total consumption of nitrogen and the European Commission, based fertiliser, for example, openly playing one off against 1950-51 to 175,118 tonnes in the other as issues and opportunity dictate. The Boerenbond can offer higher productivity and a higher degree of skill, but for the price they are asking, this does not seem to be enough. They will have to think of something more and they have not got much time to come up with an answer.

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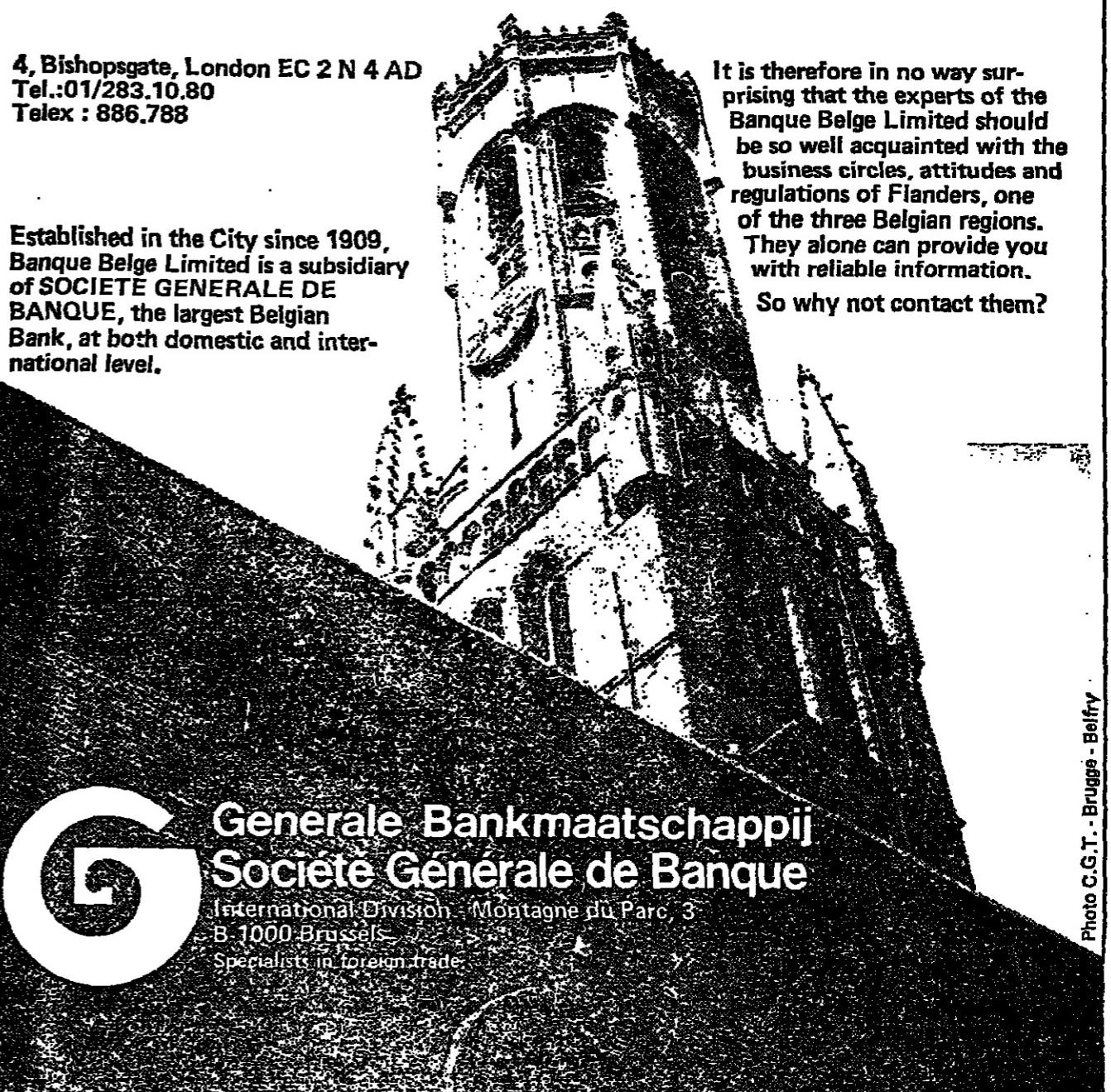
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STOCK EXCHANGE REPORT

Partial rally in gilt-edged in another active trade Uncertainty in equities with index shading 2.5 to 519.5

Account Dealing Dates

Option
First Declarer - Last Account Dealings: 19 Sep. 29 Sep. 30 Oct. 11 Oct. 3 Oct. 13 Oct. 14 Oct. 25 Oct. 17 Oct. 27 Oct. 28 Nov. 8

"New day" dealings may take place from 9.30 a.m. two business days earlier.

Active trading in British Funds again highlighted stock markets yesterday, and, although well below the day's best quotations at the close, had managed to regain a goodly proportion of the previous day's falls to 14, which had reflected a shake-out of loose holders. The reaction yesterday started before knowledge of the Bank of England's signal for restraint in the money markets, and interest appeared to be tending more towards medium-dated stocks in contrast to the recent heavy emphasis on the longer maturities which at last night's levels were showing gains to 15.50. Short-dated stocks, mostly overshadowed, were up 1.50 better, and the Government Securities index rallied 0.48 to 75.38 after Tuesday's loss of 0.75.

Lending equities started and ended on an uncertain note, the 30-share Index being 2.2 off at 10 a.m. and 2.5 down at the close of 519.5. As on Tuesday, there was little evidence of any selling of size and the undertone, especially during the afternoon, held reasonably firm.

The All-share Index was up 1.5 at 519.5, a reflection of the softening in the Gilt-edged sector rather than of shares coming on offer. Falls in the broad-based FT-Actuaries Industrial and 500-share indices were limited to 0.2 per cent, while the All-share index, benefiting from renewed strength in the financial sector, was 0.2 up at 222.08. Banks were in the can again and established a further index rise of 3.6 per cent, with stock shorts exhausted.

Elsewhere, firm features were confined mostly to the more speculative equities, and to those announcing favourable trading statements. Priceless falls in FT-quoted Industrials were evenly matched and there was little change in the level of trade as measured by official markings of 6,332 compared with the previous day's 6,684.

Gilts resume rise

Soon forgetting the previous day's shake-out, quotations of British Funds notched fresh gains extending to 10 points in the early business hours, turning volatile again and closing with rises of half that amount. Nerves became strained at the enhanced levels on the possibility of a new long tap issue being announced tomorrow and the Bank of England signal, which was to 85p, after 70p, on vague sug-

gestions that Saint Piran, which already own 7.57 per cent of the former, probably contributed to a slight but noticeable switch of emphasis away from the longs to medium/short maturities. Overall trade remained on a good scale and continued into the unusual dealings where the longer issues dipped by a further half-point only to regain it later, while the shorts settled just below 3.30 pm levels to show a minute gain, ranging to 1 after 4. Combinations were with the main funds and established improvements of a full point; in the recently-issued section, Southwark 11½ per cent, 1984/85, moved up 3 more to 125, in £10-faced form, in the absence of any fresh demand. Southern Rhodesian bonds drifted back after Tuesday's upturn and 6 per cent, 1978/81, gave up 2 points at £70.

Modest selling on arbitrage account, which took investment currency rates lower to 884 per cent, was finally countered by a small institutional interest and the premium settled only 1 down on the day at 871 per cent. Yesterday's SP conversion factor was 0.7969 (0.7908). Foreign Bonds were more notable than usual because of sharp rise of 7 per cent in Uruguay 3½ per cent following demand in front of the half-yearly results left RMC 4 lower at 116, after 112p.

Saint Piran's first three days' short-dated stocks, mostly overshadowed, were up 1.50 better, and the Government Securities index rallied 0.48 to 75.38 after Tuesday's loss of 0.75.

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Chemical leaders were quiet and easier for choice. ICI drifted down to 423p as did Fisons to 342p. The latter still on recent disappointing interim figures.

Combined Eng. rally

Combined English became an erratic market in Stores, falling to 80p on disappointment with the sharply lower profits before rallying on consideration of the accounts statement to 82p, up 2 higher on the day at 82p. Elsewhere, MFI Restaurants, 10 higher at 185p, the day's most active stock, improved 6 to 84p, after 85p, following comment on the results. Viscose Develop-

ment gained 7 to 56p on buying with a further lengthy list of gains in a thin market and demand ahead of next Monday's interim results led Currys 3 better at 210p. The oilseed processors leaders ended with a slight easing in secondary issues. Cammell and Isherwood came to life with a rise of 7 to 143p, while Pifco met further support at 84p, up 3, and Rotaflex moved up 5 to 50p. Raefal encountered fresh profit-taking and gave up 6 more to 235p.

Engineering majors continued to drift lower in quiet trading. Vickers shed 6 to 200p and Tubes fell 6 to 348p, while Hawker declined 4 to 122p. Secondaries displayed a strong trend all have notable full year figures. Legal and General still closed marginally higher on the day at 165p among Life issues.

Breweries closed with modest rises after a reasonable trade. Wicks shed 6 to 200p and Tubes relinquished 5 to 348p, while Hawker declined 4 to 122p. Secondaries displayed a strong trend all have notable full year figures.

George Whitehouse cheapened a penny to 18p despite the return

line with market expectations. Cavendish closed without alteration at 125p; the listing will be withdrawn with effect from today in accordance with the Scheme of Arrangement. In Supermarkets, Marks & Spencer, 10 up at 125p, surprised rose 4 further to a 1977 peak of 130p on further consideration of the interim results. Kwik Save Discount were raised 9 to 250p, but Tesco met a penny easier at 50p despite the statement outlining the benefits of the decision to drop Green Shield trading stamps. Wheeler's Restaurants, 10 higher at 185p, provided the only notable movement in Hotels and Caterers.

Spink & Co. jump

The miscellaneous Industrial leaders fluctuated within fairly narrow limits before closing on balance. Bawater, 10 up at 125p, finished 5 lower at 645p, and losses of a few pence were marked against Bawater, 180p, and Glaxo, 615p. The announcement that preliminary discussions are taking place which may lead to merger proposal prompted a jump of 30p to 265p in Spink and Co. Centrefax found support and put on 3 to 17p, while Feedex were also maintained at 32p up 5. Redditch Framers 7 to 142p. Rotaflex hardened a point to 142p. Amsons Furniture issues, Parker Knoll, 11, continued to benefit from the results and gained 4 more to 85p, while Minty held steady at 79p despite the sharp fall in the annual

line with market expectations. Cavendish closed without alteration at 125p; the listing will be withdrawn with effect from today in accordance with the Scheme of Arrangement. In Supermarkets, Marks & Spencer, 10 up at 125p, surprised rose 4 further to a 1977 peak of 130p on further consideration of the interim results. Kwik Save Discount were raised 9 to 250p, but Tesco met a penny easier at 50p despite the statement outlining the benefits of the decision to drop Green Shield trading stamps. Wheeler's Restaurants, 10 higher at 185p, provided the only notable movement in Hotels and Caterers.

Oils ease afresh

The Oil majors closed on a dull note after fluctuating within fairly narrow limits. British Petroleum finished 4 down at 816p and the partly paid 5 off at 385p, while Shell lost 6 to 604p. Among the speculative issues, Old Exploration recovered to 308p, before reacting on fresh selling to close only 2 dearer at 300p, but Press mention prompted a noteworthy rise of 14

to 304p in Sibels (U.K.).

Properties made further useful progress. Still reflecting Press mention, Compeco moved up 10 more to 122p. Chesterfield, 282p, and Haslemere, 232p, firms 3 respectively, improved slightly to 84p. Among the leaders, Stockton, 13 higher at 253p, Percy Bilson were again favored at 185p, up 3 and Eastern Petrolimex improved 10 to 84p.

Among shares to attract attention were Hartebeest, with a rise of 5 to 114, and West Driftson, 10, which went 5 better to 119. After 118p, Harmony were 5 RTZ harder at 400p in front of the Updike annual report.

The strength of the bullion

price helped Consolidated Gold

FIELDS gain 6 to 205p, but other London-based Financials were subdued with RTZ and Charles remaining unchanged at 205p and 140p respectively.

The strengthening of the securities rand did not affect Copper, which showed a lower tendency. Royal Consolidated were 2 lower at 80p after recent announcements of financial difficulty and ZCL lost 1 to 131p.

Tins featured Saint Piran and Gevor at highs for the year. The latter gained 3 to 440p and Saint Piran advanced 6 to 84p on Press reports of plans for a sale of part of South Crofty. Malaysian Tin issues were subdued.

Australians met small selling after a slightly firmer start influenced by the performance of domestic markets overnight, but trading was quiet and movements were small.

Among Canadians, Pacific Copper Mines continued to move erratically, falling 15 to 180p in

erratic, falling 15 to 180p in

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High Low Stock Yield Red.

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Treasury Bills 100%

Exchequer Bills 100%

Treasury Bills 100%

Exchequer Bills 100%

Treasury Bills 100%

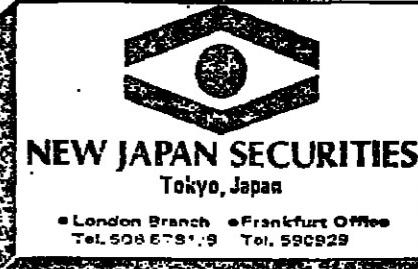
STRIALS—Continued

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INSURANCE

PROPERTY

TOBACCO

TRUSTS, FINANCE, LAND

INVESTMENT TRUSTS

O.F.S.

FINANCE

TRUSTS, FINANCE, LAND, etc.

MINES—Continued

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

COPPER

MISCELLANEOUS

NOTES



INLAND REVENUE DECISION HAS SLOWED OIL FLOW—CLAIM

Divers quit over tax ruling

BY KEVIN DONE and MICHAEL LAFFERTY

SOME 250 of the most experienced divers working in the North Sea have left the industry following the Inland Revenue's decision to allow them self-employed status. Diving contractors are claiming that the Revenue decision, taken without consultation about its consequences for the industry, is lowering safety standards on rigs and platforms and slowing down the flow of oil.

This was stated in London yesterday by the Association of Diving Contractors which, after fighting the Inland Revenue for most of this year over the issue, has virtually admitted defeat.

The only avenue the association still sees open concern changes in the law or the successful completion of any test cases that are brought. Such moves could take years. The fight will now be taken up by the divers themselves.

Merits

Up to the end of the last tax year between 50 and 60 per cent. of the 1,500 divers working in the North Sea were self-employed. But at the begin-

ning of the year some diving contractors were told by the Edinburgh Special Office of the Inland Revenue to reduce PAYE from all their divers.

The Inland Revenue says it spent several months examining the matter before arriving at this decision.

Many of the claims of the diving contractors, including the extent of the alleged migration from the North Sea, are disputed by the Inland Revenue, which maintains that it is merely enforcing the law.

Not one of the cases put forward by the contractors could be accepted as qualifying for self-employed status, said a Revenue official. He claimed that far from adopting a blanket approach to the whole industry, the Inland Revenue had considered each case on its merits. It was a matter of fact whether the divers were self-employed or not, and all the evidence indicated that they were not.

Although the diving contractors deny it, the Inland Revenue believes they are asking to be treated as a special case.

Contractors were put under "considerable pressure" and had no alternative but to comply, the Inland Revenue said yesterday. The Inland Revenue's action "was hasty and ill-conceived" and the unequal treatment it had meted out to different companies had caused considerable problems in obtaining both personnel and contracts.

On the other hand, the Inland Revenue says it went to considerable effort to approach as many companies as possible at the same time. In only a few cases had there been any delay, it said.

The contractors argue that safety standards had been hit because experienced key personnel had tended to leave the industry for other jobs, or had gone abroad on overseas contracts.

Calibre

The efficiency and speed of installation and maintenance work have been affected because the divers recruited were less experienced.

Some diving companies have said they are finding it difficult to put together saturation

diving teams of the calibre they would wish. Others claim that the Inland Revenue's action has made British diving companies less competitive than their foreign counterparts and some are considering moving their operational base to another European country.

This is regretted by an industry which has also come under pressure from other branches of the government, namely the Department of Energy and the Offshore Supplies Office, to seek business overseas.

For the divers the implementation of PAYE has hit earnings dramatically. Previously they could claim for expenses such as travel, telephone and equipment and could employ their wives as secretaries. Top divers could gross between £10,000 and £15,000 a year with little outlay in tax.

Their net income has now been cut substantially. Many divers claim that earnings have fallen by as much as 30 per cent.

Traditionally divers have operated as loners, shunning

industrial organisation and any idea of trade unionism. But they are now organising under the leadership of the North Sea Divers' Action Group to fight the PAYE issue.

Ballot

Neil Henderson, a member of the organising committee, said yesterday that divers would be balloted next week about setting up a representative action committee. Funds received and spent prior to being sought from each diver. A publicity campaign is planned to bring Parliamentary pressure to bear to challenge the Inland Revenue's action.

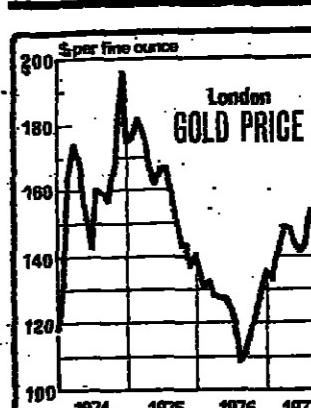
Mr. Henderson said that North Sea operations could be brought to a complete halt in weeks if divers went on strike. But he ruled out industrial action. The divers approach would be based on reason, logic and argument.

If the campaign failed, divers would not strike. They would simply leave the British industry and take up opportunities overseas.

THE LEX COLUMN

Behind Tootal U.K. profits growth

Index fell 2.5 to 519.5



Tootal's U.K. profits took off in the latter part of 1976 and have continued to move ahead sharply so far in 1977. Group profits for the half-year to July are up from £6.2m. to £8.8m. pre-tax, and within that the U.K. contribution is perhaps £3m. higher at roughly £5m. The main boost has come from exports, which have increased by 35 per cent. and are now running at about a third of the group's total sales. Elsewhere domestic demand trailed back after a good first quarter, but Tootal's rationalisation in the past couple of years has reduced its exposure to the rough end of the textile cycle.

Thus external sales on the spinning side are now very small, and most of its weaving is bought in. Its main expansionary efforts have been to develop in areas closer to the consumer, such as apparel fabrics and clothing.

These products account for a substantial proportion of exports, which Tootal claims are not particularly price sensitive and are still moving ahead strongly. In addition, it says that there have been signs of improvement in U.K. retail demand during the past few weeks (a view which was echoed yesterday by Combined English Textiles).

The drawback is that the overseas businesses are still under pressure following a marked profits decline during the first half year. The U.S. threat business is sluggish, and Tootal is concerned about the outlook for its sizeable interests in Africa and Australia. But its "cautious view" of the outcome for the current six months still leaves room for a useful increase in the old profits peak reached as far back as 1973-74, with an overall rise for the year of perhaps a fifth to £21m. or a bit more.

With a fair chance of an improving home market during 1978, the shares seem sensibly priced at 44p, where the prospective yield of 9% per cent. should be at least twice covered.

Gold

Any chorus of enthusiasm for world reflation, such as that now emanating from the IMF gathering in Washington, can be relied upon to cheer up the gold bullion market and generate a few more problems for the Swiss exchange control authorities.

He also came to the assistance of Japan, whose economic policies have been much dignified in the course of the International Monetary Fund's annual meeting here.

"Economic success," he said of Japan and his own country, "cannot be criticised," though it carried with it certain international responsibilities. It was unfair, he argued, to point fingers at two or three countries and to say they had been pursuing the wrong policies and should do more. It was just as necessary to point to the failure of other nations to fight inflation, which had hampered the international adjustment process.

The latest German measures, stressed, would result in 4.5 per cent. real growth in 1978, up from 3 to 4 per cent. range for the current year. But such expansion, he went on, would have only a marginal effect on German unemployment; the inflation rate would be under 4 per cent. this year, and could go down to 3.5 per cent. in 1978.

Both Herr Apel and Dr. Emminger were at pains to describe what they considered to be the substantial international contribution that Germany was already making. Dr. Emminger cited the latest statistics showing that over the first 9 months of this year the foreign-exchange balance, comprising trade, invisibles and capital movements, was in deficit of DM.1.3bn.

Herr Apel also appeared to recommend tax cuts as the best way of stimulating the economy. He said they had been used with good effect in Germany, and generally both boosted consumer demand and mitigated the wage-claims put by the trade unions.

If any form of consensus can be said to have emerged during this week's meeting, it is that tax reductions, particularly insofar as they provide business with incentives and encourage economic stability, represent a better approach than greater Government spending and the attendant larger public deficits.

Herr Apel also said he had been assured by Mr. Michael Blumenthal, the U.S. Secretary, that the Carter Administration was prepared to introduce further measures "if growth loses momentum." This appears to be somewhat at variance with the general impression of the U.S. economic message imparted this week.

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Australia puts quota on Scotch

By Ray Perman,
Scottish Correspondent

THE WORST fear of the Scotch whisky industry over exports to Australia have been confirmed with the announcement by the Federal Government that import quotas have been imposed to protect home-produced spirits.

The order, which applies retrospectively from the end of August and runs until February, limits imports to 40 per cent. of sales for 1975-76. This will kill the growth in an important market for Scotch which has expanded steadily in recent years to more than 2.3m. proof gallons a year. An added burden is a discriminatory duty of around 10 per cent. on the standard bottle price of about \$8.50 which will apply to imported whiskies only.

The Scotch Whisky Association last night described the move as "blatant discrimination" and said it would protest through diplomatic channels. It would also consider a submission to the inquiry which the Australian Government is likely to set up to consider whether the ban should be made permanent.

The Australian Whisky and Gin Distillers' Association instigated the series of hearings resulting in the recommendation to the Government to limit whisky and brandy imports. British distillers made strong representations at the hearings against a quota system.

One of the British companies to be hit hardest will be Distillers, whose eight brands represent four-fifths of Scotches imported into Australia. However, DCL's wholly-owned Australian subsidiary, United Distillers, supported the Australian Distillers' Association's request for protection.

Other companies to be affected include a new company, Glen Talla, which invested \$A2m. in a TV commercial featuring Peter Lawford, and the importers of Famous Grouse, whose campaign used Mr. John Gorton, the former Prime Minister.

Senate still undecided on U.K. finance treaty

BY JUREK MARTIN, U.S. EDITOR

THE SENATE Foreign Relations Committee was still locked behind closed doors this afternoon discussing whether to ratify an amend or otherwise postpone a decision on the draft Anglo-American double taxation agreement.

The committee deliberations were conducted amid much confusion on Capitol Hill, where a filibuster on President Carter's energy proposals was proving to turn out to be sharper lower than the \$120m. a year previously calculated.

In addition, Governor Brown took note of the special plea that had been made to him by Mr. Michael Blumenthal, the U.S. Treasury Secretary, like that of President Ford before it has argued strongly on Capitol Hill and elsewhere in favour of ratification of the key provision in the

Germany urges mild reflation for EEC

By Jurek Martin and David Bell

WASHINGTON, Sept. 28.

HERR HANS APEL, the German Finance Minister, said today that he thought other Western European countries could modestly stimulate their economies, preferably by cutting taxes to encourage internal demand.

He said he would not identify the countries he had in mind, but then, in the next breath, noted that Britain is in good financial shape and was likely to run a current-account surplus larger than that of Germany in the second half of this year. He added that even Italy had shown a surplus on current accounts last month.

Europe, he said, was in a "happy situation" from a financial payments standpoint. However, he qualified this by asserting that the real problem was not payments but the inflationary risk of reflation.

For the most part, Herr Apel backed an early-morning Press conference by Dr. Otfmar Emminger of the Bundesbank — was more concerned with defending the German economic record to date and its recent stimulatory measures. He also came to the assistance of Japan, whose economic policies have been much dignified in the course of the International Monetary Fund's annual meeting here.

"Economic success," he said of Japan and his own country, "cannot be criticised," though it carried with it certain international responsibilities. It was unfair, he argued, to point fingers at two or three countries and to say they had been pursuing the wrong policies and should do more. It was just as necessary to point to the failure of other nations to fight inflation, which had hampered the international adjustment process.

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Both Herr Apel and Dr. Emminger were at pains to describe what they considered to be the substantial international contribution that Germany was already making. Dr. Emminger cited the latest statistics showing that over the first 9 months of this year the foreign-exchange balance, comprising trade, invisibles and capital movements, was in deficit of DM.1.3bn.

Herr Apel also appeared to recommend tax cuts as the best way of stimulating the economy. He said they had been used with good effect in Germany, and generally both boosted consumer demand and mitigated the wage-claims put by the trade unions.

If any form of consensus can be said to have emerged during this week's meeting, it is that tax reductions, particularly insofar as they provide business with incentives and encourage economic stability, represent a better approach than greater Government spending and the attendant larger public deficits.

U.S. dock strike closer

BY JOHN WYLES

PROTRACTED negotiations on a new labour contract for the U.S. East Coast and Gulf ports broke down last night, bringing

cash limits in the public sector, he said, were not a device for making covert cuts in public expenditure.

Industry would have a priority in any increase in local authority spending, Mr. Barnett said.

Central government could not opt out of its overriding interest in local spending, but local authorities were free to take their own decisions, he said.

It was essential, Mr. Barnett insisted, that the Government should continue to operate the limits resolutely "if we are to avoid once again far more damaging and socially disruptive alternatives."

At present, confidence in the U.K. had improved substantially, he said, and the prospects were bright as North Sea oil flows provided "more stable financial and domestic confidence."

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which could be guaranteed an annual minimum of \$16,640 (£9,750) last year although no more than 7,500 jobs a day were available.

Although only six ports are directly represented at the negotiations — New York, Baltimore, Boston, Philadelphia, Hampton Roads and Providence — the agreement is broadly followed by all the other major East Coast ports from Maine to Texas and any selective action by the union would be nationwide.

Speaking at the joint conference of the local authority associations at Bournemouth, Mr. Barnett countered criticisms of the cash limits which were voiced at the TUC conference earlier this month.

He emphasised their importance as part of the Government's efforts to counteract past inflationary excesses, and the "enormous" benefits which had resulted in terms of international and domestic confidence.

Cash limits, however, were not an alternative to a pay policy nor were they being used to exercise a hidden and discriminatory incomes policy over public sector employees.

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